Daily Report

Latin America

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Brazil

A Senate plenary session "unanimously approved" the request for President Collor's impeachment, according to Rio de Janeiro TV, which adds that the Senate will formally notify Collor that he will be tried in the Senate and must immediately step down.

In a farewell letter read to the Brazilian people over Sao Paulo TV, Collor said he is transferring the role of the Presidency to Vice President Franco "in compliance with a soverign decision" and expressed his gratitude to the country. He stated that at no time "did I tarnish the dignity of my post nor did I abandon the mission of transforming our country into an example of modernity and social commitment." Collor also said that he is leaving his post "with a clean conscience and soul," convinced that the people "will trust me better when they learn the truth" of the political facts surrounding his term.

Itamar Franco issued a statement assuring the country that "there will be no corrupt individuals in this government," according to Rio de Janeiro TV. The names of the ministers who will participate in Itamar Franco's government, particularly the important post of economy minister, Paulo Haddad, were listed.

Mexico

AFP reports that the Mexican Congress has "rejected and condemned" the Torricelli Bill because "'it is contrary to international law'" and "'affects third countries,' including Mexico."

Nicaragua

Managua radio reports that Central Bank President Silvio de Franco Montalvan has resigned his post. Finance Minister Enilio Pereira Alegria will "temporarily" head the bank.

Cuba

Widespread Anti-Torricelli Bill Demonstrations

FL0210144692 Havana Radio Rebelde Network in Spanish 0900 GMT 1 Oct 92

[Text] Mass demonstrations of revolutionary reaffirmation and in condemnation of the Torricelli Bill have occurred in recent hours throughout the country. In Pinar del Rio, Pedro Ross, the secretary general of the Cuban Workers Federation [CTC], attended a rally of workers and students in support of the CTC statement against the above-mentioned law. Children, young people, and adults gathered in historic Independence Park and chanted Fidel's name and the slogan, "They will not pass!" in unison.

For their part, Cuban farmers also expressed their condemnation of the bill that will increase the embargo against our country. As he presented the national vanguard banner to the cane-growing Niceto Perez Cooperative in Caimito, Orlando Lugo Fonte, the president of the National Association of Small Farmers, stated that the response of the farmers will be to increase food production for the populace.

In Holguin, Division General Sixto Batista, the national coordinator of the Committees for the Defense of the Revolution [CDR], stressed that we will always be what we are, free and independent. He said this at a ceremony for the CDR members of Calixto Garcia and Holguin Municipalities, during which they reaffirmed the view that the CDR members will not fail Fidel.

In Havana, Vice President of the Council of Ministers Jose Ramon Fernandez stressed the firm determination of the entire people to struggle to preserve their sovereignty and independence. He was speaking with a group of tourists from the Canary Islands who are visiting Cuba. Fernandez stated that Cubans and Canary Islanders are closely linked in the struggle for freedom and national sovereignty.

Mexican Rejection of Torricelli Bill Praised

PA0210024192 Havana Radio Havana Cuba in Spanish 0000 GMT 2 Oct 92

[Text] Cuban Foreign Minister Ricardo Alarcon in New York expressed satisfaction with the consensus reached in the Mexican Congress condemning the Torricelli amendment aimed at tightening the U.S. blockade of Cuba.

In a question and answer session, Alarcon said the Mexican legislators' stand echoes the feelings of the Mexican people, who unanimously reject Washington's attempt at (?vitiating) and violating the Cuban people's sovereignty.

The consensus in the Mexican Congress, the Cuban foreign minister said, is a sign of how the peoples of the world respond to U.S. Government attempts to apply extra-territorial policies. He added that he expects other countries to follow the example set by the Mexican deputies.

Additional Power Outages Announced

FL0110181592 Havana Radio Rebelde Network in Spanish 1700 GMT 1 Oct 92

[Text] There will be changes in the electricity service this weekend. The Electric Union informs its customers that there have been problems over the last few days with the supply of fuel to some electricity generating plants. Given this situation, it is possible that service will be cut during certain hours to some areas, in addition to the scheduled outages, beginning at 1900 today and all day tomorrow.

The Electric Union has taken emergency measures which will make it possible to restore the current schedule for electricity service sometime on 3 October. Moreover, the union requests that the public make an extra effort to reduce consumption in order to shorten the outages over the next few hours. The Electric Union recognizes the problems this causes for consumers and therefore expresses its apologies.

Changes in Wholesale Prices Announced

FL0110181992 Havana Radio Rebelde Network in Spanish 1700 GMT 1 Oct 92

[Text] The updating of wholesale prices takes effect today. To find out the meaning of this, Jose Mejia interviewed Waldo Rodriguez, the first vice president of the State Committee for Prices.

[Begin recording] [Mejia] Could you explain in detail to us how this will be done, Comrade Waldo?

[Rodriguez] What the country's leadership authorized is being implemented today; that is, the updating of wholesale prices. These are the prices used for trade between enterprises. I stress that this has absolutely nothing to do with retail prices or prices for the public. It is the wholesale prices that are being updated, primarily based on Cuba's position as an open economy dependent on foreign trade. As of now, we will begin to apply the real prices at which Cuba purchases the goods to be distributed to the different enterprise. Likewise, export funds....[rephrases] Everytime Cuba exports a product—a ton of nickel, a ton of oranges, etc.—we will record the prices these products we export bring.

This will allow all the enterprises to work with much greater dynamism. This forces the economic cadres to concentrate much more on this work, because the stability we had with these prices for a long time is now over. Therefore, the prices will act and will be reflected in the economy, depending on what happens to them, or on what is imposed on us by the market. I repeat that this has absolutely nothing to do with the retail prices.

There is something else. I must stress that in the specific case of agricultural products in which the cooperative and small farming sectors participate, no price will be modified until the modifications of the prices of their inputs, and consequently of their final products, has been discussed with this sector.

[Mejia] Well, thank you very much, Comrade Waldo Rodriguez Macias, the first vice president of the State Committee for Prices, for having spoken to us for the National Radio Newscast. [end recording]

* Combat Readiness With Zero Option Explained

92CA0224B Havana CUBA INTERNACIONAL in Spanish Jul 92 pp 62, 63

[Article by Rene Abad Rodriguez]

[Text] The authoritative voice of the tank company commander broke the silence of the pleasant morning. Bellowing like raging bulls, the powerful engines of the armored personnel carriers shook the vast savannah, while the infantry squads took up positions behind the green steel barriers, waiting for the supposed enemy to begin his offensive. The thundering of artillery and the staccato bursts of machine gun fire began almost in unison, destroying the targets placed so far away that they would hardly be visible without the sighting instruments of the modern weaponry. Shortly before, aircraft had "softened up" the forward edge of the enemy's defense. Tactically speaking, success was a foregone conclusion.

The company commander saw the minute hand of his watch approaching zero hour, 0600 hours, and prepared to order his troops to advance.

"Boom, forward on the right flank. Faster, faster! Don't take the initiative yourself. That's it, keep going...." These words could be heard on the radio of the modern T-62. Almost simultaneously, Sgt. Luis Rodriguez stepped on the gas and pulled the right-turn lever to turn the heavy vehicle in that direction, let go of the lever, and accelerated a little more. The treads of the tank grabbed hold of the muddy surface, obeying every command of the young driver. Taut as a violin string, he tried to carry out his commander's orders and bring his machine to that gap in the enemy line. Meter by meter, the powerful machine zigzagged forward until it climbed the smooth hill, the objective of the tactical exercise designed to test the combat readiness of that great unit of the Western Army, garantor of the island's defense.

Many hours of driving in the mechanical training device and still more hours in the tank park turned Sgt. Rodriguez into an experienced tank operator, perhaps the best in the unit. All of his comrades put their faith in him before the test. Now his nerves could not betray him, especially when he had to show everything he had learned in his classes and training exercises. For this reason, he guided the tank with a firm hand directly toward the most important targets, facilitating the work of Jesus, the artilleryman, and Orlando, his crew chief.

From the control tower overlooking the entire training field, it was possible to see clearly how the projectiles were hitting the targets. Their success was reflected in the broad smile that lit up the face of Brig. Gen. Venancio Avila, commander of the unit. A veteran of such battles, he did not get carried away with the euphoria that comes naturally with a quick success. He knew that he had to wait for final verification from the chief umpire, who would announce the news awaited by all: a rating of "good" on the tactical maneuver with live ammunition, the true test of the unit's combat readiness.

The final word was not long in coming. Then came the hugs, handshakes, congratulations.... Everyone was satisfied with the recognition they received for so many hours of training, studying, and burning the midnight oil to master the necessary technology and weaponry, as well as the rules and procedures of firing.

There were plenty of reasons for the general to feel satisfied and happy...

Expert Opinion

Avila Guerrero is an experienced commander, with more than 25 years of commanding armored troops and direct involvement in combat at Playa Giron [the Bay of Pigs] (1961), in internationalist aid to Ethiopia during the Somali invasion (1977-79), and during the war in Angola. In the latter country, he commanded Cuban troops first, and later the entire military group, at the important battle of Cuito-Cuanavale. The victory in that battle paved the way for the peace accords in that region, and had a decisive influence on achieving independence in Namibia.

When he met with this reporter at the General Staff of the unit he commands, Gen. Avila agreed to discuss some of the reasons why this has been one of the best commands in the Revolutionary Armed Forces (FAR) in recent years.

"According to the inspections conducted by the High Command and the training received by the personnel in 1991, and so far this instruction period, our unit has a high combat-readiness rating," stated Gen. Avila.

The intensive effort is not limited to the permanent personnel; many hours of instruction are devoted to preparing the reservists who bring our units to full capacity when necessary. This training is done in such a way that the economy is not affected, particularly now that many sectors are experiencing such difficulty.

"For this reason, we have relied on everyone's ingenuity," indicated Gen. Avila, "to minimize the limitations inherent in the special period in peace time," the term used here to describe the measures taken to meet our resource needs in the wake of the disappearance of the

socialist governments in Eastern Europe, the deterioration of trade with the former Soviet Union (with which the island conducted 85 percent of its exchange of goods), and the heightening of the economic blockade imposed on Cuba by the United States for the last three decades.

"Many initiatives have been taken by our personnel to ensure quality of instruction with a minimum of resources. The unit organized a demonstration class to show what to do during Zero Option, which will be when there is not a single drop of petroleum and we will continue operating. A series of measures were implemented to save traditional fuels, enabling us to cut consumption by more than 70 percent while keeping everything more or less the same.

"But the greatest achievements lie in the replacement of spare parts, thanks to the ingenuity of technicians in developing conservation methods and training devices."

Where Battle Decisions Are Made

To ensure that all goes well in combat, many men work behind the front lines. Lt. Col. Pedro Somonte Labrador is one of them. The commander of a small unit in charge of repairing and evacuating equipment and weapons, certainly the best in the unit, he spares neither time nor effort in achieving the study objectives and the proper technical functioning of the motorized infantry unit. For this reason, among others, he is well regarded by his superiors and subordinates alike. Named Vanguard of the FAR twice, first in the construction of popular tunnels, and best in equipment maintenance, Somonte's small unit is also one of the most outstanding at efficiency and inventiveness, a quality given high priority during the special period in peace time.

This small unit has more than 17 efficiency experts and innovators, and it proudly shows visitors the lead seal machine that it built to avoid having to import such machines. Or the saccharine plant (an animal feed derived from sugarcane), or the equipment for making tomato sauce, designed by specialists in the unit. Not to mention the adaptations to antitank weaponry on three-wheel landing gear, and other inventions designed to improve combat readiness.

"For more than a year now, all supplies from the larger unit to here have been transported by freight bicycles or horse-drawn wagons, so we have achieved a considerable savings of petroleum. Prototypes of various bicycles to meet different combat support needs have been designed and built in our workshops."

Sgt. Jesus Jorge Hernandez, commander of the infantry weapons repair squad and delegate to the 6th Congress of the Union of Young Communists, is one of the unit's outstanding efficiency experts.

"The unit did so well that it won the right to elect a direct delegate, who was chosen by his own comrades to go to the congress of Cuban youth," he told this reporter. He did not hide his pride at having been chosen by the 22 members of his organization to represent them at the national youth congress.

"With such personnel, no task is impossible!" Lt. Col. Somonte enthused as we said goodbye.

Upon returning to the General Staff, this journalist was unable to resist asking about Gen. Avila's extensive combat experience and how he brought it to bear in exercising command during relatively peaceful conditions.

"To have had a chance to work in different military theaters of operation and apply the knowledge acquired in the schools and academies of Cuba and the former Soviet Union are experiences that help greatly to solve various problems in daily life and while exercising command. Theoretical studies are consolidated only through practice, and for that reason I believe, and life has proven to me, that these experiences are very valid for this day and age, for the daily work each one of us performs in our various responsibilities."

[Abad] What role did you play at Cuito-Cuanavale?

[Avila] I was at the head of the Cuban troops at Cuito-Cuanavale. I went there with the first column of Cuban troops that came from Menongue. Then I was leader of the tactical group, and later on, deputy commander of the general troops that were organized into a group there to defend that territory. Finally, I remained in command of that group until the troops were withdrawn from Angola. I was named to lead the first contingent of Cubans to return to the Fatherland in 1989, after the peace accords. From 21 January, when I arrived in Cuito, until the South Africans were defeated, I participated in every battle. Then we worked on reestablishing the military theater of operations, rebuilding the bridge over the Cuito-Cuanavale River, evacuating equipment, and restoring the defense zone to turn it over to the Angolan forces.

[Abad] So you were able to make good use of what you had learned in the military schools?

[Avila] One time a journalist from THE NEW YORK TIMES asked me that, and I told him yes, the knowledge I acquired at the academies of Cuba and the former Soviet Union came in very handy there, in making decisions, organizing troop support, and organizing combat actions. In other words, you do not acquire that knowledge just because you feel like it; it really helps at a given moment, when you get down to brass tacks.

* Agriculture To Rely on Light Machinery

92CA0224A Havana GRANMA in Spanish 18 Aug 92 p 8

[Article by Raisa Pages]

[Text] The current agricultural machinery situation requires greater use of light equipment, given the poor

state of the heavy machinery fleet and the likelihood that it will be rendered useless because of the lack of spare parts, tires, and batteries.

In past years, there was a trend toward using high-power tractors to work the soil because they were more productive. Today, we must reverse this trend and go back to using equipment such as the Yumz-6, of which there are approximately 21,000 in the country. A high percentage of them can be used for plowing.

At a recent board meeting of the Agriculture Ministry, Agriculture Minister Carlos Perez stated that platoons of light tractors must be organized to work in the livestock, rice, and other sectors.

The minister made it clear that the country will not receive any new equipment, and the current fleet is deteriorating, having been used an average of eight to 10 years. It is not a question of abandoning heavy machinery, he added, but of making the best use of light equipment under the present circumstances, with large amounts of equipment out of service due to limitations on purchases of tires, batteries, and spare parts.

Ambrosio Penichet, vice minister in charge of mechanization, says that this solution, as well as the use of farm animals for plowing, will alleviate the problem of equipment shortages.

Carlos Perez commented at the meeting that if the livestock sector could keep teams of oxen working the soil on ranches from January on, by spring all the land would be prepared for planting sugarcane, vegetables, and grasses.

With regard to rice, the minister ordered that wet planting be resumed in the months of November and December, because dry planting alone would not be enough to reach the levels desired. Recovering the so-called "mud tires" and organizing platoons for this purpose was not just urged, but demanded, because sometimes this type of tire can be used for other activities.

In addition, it is hoped that oxen can be used in an increasing number of farm activities, using tractors only where strictly necessary, such as when intensive soil preparation is required in a short period of time.

Inter-Caribbean Affairs

Caribbean Rights Urges 'International Presence'

FL0110151592 Bridgetown CANA in English 1307 GMT 1 Oct 92

[Text] Bridgetown, Barbados, Oct 1, CANA—On the first anniversary of the Haitian military coup, Caribbean Rights has called on Caribbean Community (Caricom) governments to send a fact-finding mission to Haiti, an observer of the community. The human rights watchdog, in a statement, said it was prepared "to work with other human rights organisations for the return to constitutional and democratic government in Haiti."

It said there was "an urgent need for a much wider and meaningful international presence inside Haiti, including a task force from the United Nations, to monitor human rights violations and respond to the humanitarian needs of the suffering Haitian people." It complained that "the governments of Caricom have not been very forthcoming in the timing and persistence of their demands for an end to the Haitian political crisis." It said they had not "undertaken any mission of their own, since the September coup, to assess the human rights climate in Haiti and the needs of the Haitian people for food and medicines."

It urged Caricom governments to exercise new efforts to involve the United Nations in the reintegration of Haiti in the international community, "particularly since the initiatives so far undertaken by the Organisation of American States (OAS) have proven to be largely ineffective." For its part, the OAS should, in addition to brokering a political settlement, become involved in the shipment of food and medical supplies to Haiti, according to Caribbean Rights.

A year ago, the Haitian Army ousted the administration of President Jean-Bertrand Aristide in a coup.

Haiti

Labor Unions Variant Views of OAS Embargo

FL0110210592 Port-au-Prince Radio Metropole in French 1600 GMT 1 Oct 92

[Italicized passages in Creole]

[Text] Labor unions also assessed the situation on 30 September, a year after the beginning of the serious political crisis. They judged in favor or against the embargo. Guilloto Francois has the following report.

[Begin recording] [Francois] Haiti is in a time of assessment. Almost a year after the decision made by the OAS to order a total embargo against Haiti, reactions are many in the Haitian labor union sector. For the Confederation of Haitian Workers [CTH] led by Jean-Claude Lebrun, the embargo is unfair and discriminatory. According to Kesner (Chardy), assistant secretary general of this organization, the Haitian workers are very much affected by the OAS embargo. (Chardy), who was speaking on 30 September on behalf of the confederation, believes that the only means available to improve the situation of the Haitian workers, is through the lifting of the embargo. He calls on the parties involved in the Haitian crisis to make concessions and he recalls the idea of a national conference to reach a real conclusion to the situation.

[(Chardy)] *We do not believe that the crisis that the country is facing today can be solved by foreigners or by other people who will do it for us. It is all the country's*

children who must find the awareness that the country can no longer remain like this, so that they may sit around the same table and agree on a social pact. I could say, so that they agree on what they would respect within a deadline, so to extract the country from the crisis. We are saying that if the embargo did some good, only the richest benefited from it. If it did wrong, the poorest people suffered from it. For that reason, we have said from the beginning that the embargo is a criminal act imposed on the people. If we look at the countryside, where the peasants are akin to us, the embargo has destroyed the working class.

[Francois] The Federation of Union Member Workers, FOS, is also against the embargo. The federation announced that it had made some international overtures to several similar organizations related to it, in order to get the economic sanctions lifted. However, the FOS expresses some reserve. The federation that is in principle against the embargo, thinks that this measure could help find a conclusion to the Haitian crisis.

[Unidentified FOS representative] *Due to the embargo, we have lost many workers. Even though some employers used to hand out illegal dismissals, the embargo destroyed the situation totally. We did not stay inactive. We are still consulting each other to find out a solution. The solution does not lie in our hands. We did not create the crisis. We found it. We are still looking for ways to find a solution with the people who created it. The FOS is affiliated with several international institutions and we are asking them, as a means to help us, for any input that they can provide to help the unemployed workers.*

[Francois] Contrary to the CTH and the FOS; the CGT, General Central of Haitian Workers, and the CATH, Autonomous Central of Haitian Workers, are in favor of maintaining the embargo. Those two labor unions think in substance that only the embargo can bring a favorable conclusion to the serious Haitian crisis.

Let us recall that at least 100,000 jobs have been lost in the assembly industry since the OAS ordered the embargo against Haiti, following the 30 September 1991 events. [end recording]

Priests Denounce Threats Against Bishop Romelus

FL0110210992 Port-au-Prince Radio Metropole in French 1600 GMT 1 Oct 92

[Text] Forty priests from the country's South Department have denounced several acts of intimidation coming from some subaltern military against Bishop Willy Romelus. According to those priests, these acts of intimidation occurred several times between 20 and 24 September in Jeremie and in the rest of the Grand-Anse Department. They charge that on 24 September several military personnel entered the presbytery of the (Bogade des Iroi) and threatened the prelate. A military man, assigned to Port-au-Prince who was in the area, allegedly intervened, thwarting the action and preventing an incident. This group of priests is asking the organizations for the defense of human rights to speak out and to assure Bishop Romelus safety.

Congress Rejects, Condemns Torricelli Amendment

PA0110162792 Paris AFP in Spanish 1407 GMT 1 Oct 92

[Text] Mexico City, 1 Oct (AFP)—The Mexican Congress has rejected and condemned the "Democracy in Cuba Act" (Torricelli Amendment approved in the United States) because "it is contrary to international law" and "affects third countries," including Mexico.

In its 30 September session, the six parliamentarian blocs unanimously voted in favor of condemning the amendment approved by the U.S. Congress on 24 September. The amendment calls for intensifying the economic blockade against Cuba and punishing countries or companies having trade with Cuba.

The resolution "reiterates the value of the principles of self- determination, nonintervention, international cooperation, and respect for ideological pluralism among the members of the international community." It adds that "while those principles contribute to the harmonious coexistence among members of the international community, not respecting them affects the international society as a whole."

Therefore, the Mexican Congress "rejects the Torricelli Amendment" and "any other attempt to avoid compliance with the essential principles of international law," the resolution concluded.

Cuban Solidarity Group To Blockade U.S. Embassy

FL0110015292 Havana Radio Rebelde Network in Spanish 2300 GMT 30 Sep 92

[Telephone interview with Amparo Martinez, member of the governing body of the Va Por Cuba solidarity organization of Mexico—live]

[Excerpt] [Passage omitted] [Martinez] We have a big ceremony planned in front of the U.S. Embassy, on 8 October, in commemoration of the 25th anniversary of the death of Che [Guevara]. On that occasion, in addition to commemorating that event, the main theme is going to be a protest against the Torricelli Bill. There will also be—and Radio Rebelde is getting this as a scoop, for we have not yet announced it in Mexico. We only decided it yesterday. [rephrases] A second blockade of the U.S. Embassy is going to be announced.

As you will remember, we once blockaded the U.S. Embassy last year. A symbolic blockade. And this time we are going to stage the second blockade on 8 October. [passage omitted]

* Promoters of Presidential Hopefuls Identified

92CA0226A Mexico City PROCESO in Spanish No 826, 31 Aug 92 pp 14-18

[Report by Elias Chavez]

[Text] A siren sang a song in Acapulco Bay:

"If there were reelection in Mexico, we residents of Guerrero would reelect him," Mrs. Cecilia Davila, the representative of the colonia [urban community] Renacimiento on the Committees of Urban People's Solidarity of Guerrero, sang to President Carlos Salinas de Gortari on Monday the 24th.

Immediately after the song a phantom reappeared: reelection. The first to become frightened were the presidential hopefuls. The specter was also seen last week in PRI [Institutional Revolutionary Party], PAN [National Action Party], PRD [Party of the Democratic Revolution], PARM [Authentic Party of the Mexican Revolution], PFCRN [Party of the Cardenist Front for National Reconstruction], and the Chamber of Deputies, even though Interior Secretary Fernando Gutierrez Barrios had banished it a year before:

"Since several citizens have been talking about the possibility of reelecting officials in popularly elected posts and since this is an issue that has not been on the agenda of changes proposed by the government, I would like to report that no modification whatsoever of the constitution will be proposed in this regard. The current provisions of our Fundamental Law will be maintained."

Thus did Gutierrez Barrios exorcise the ghost on 29 August 1991 after the Association of La Laguna Merchants had begun the siren song. In a full-page ad in LA OPINION of Torreon, where Salinas de Gortari was visiting, the businessmen called for amending Article 83 of the Constitution to allow for the reelection of the president.

When the phantom reappeared, in more modern garb, the proponents of reelection also put Carlos Salinas de Gortari, with or without his consent, on the list of Mexico's presidential hopefuls for the 1994-2000 term.

Genaro Borrego, the PRI leader who will supposedly be in charge of preparing the presidential succession, began the so-called rebuilding of his party and announced on Thursday the 20th that PRI candidates, including the presidential nominee, would have "a new profile."

In search of this "new profile," which has not yet been defined, Pedro Aspe, Manuel Camacho, Luis Donaldo Colosio, Ernesto Zedillo, Fernando Gutierrez Barrios, and even Emilio Gamboa, among others, are sprucing themselves up and putting on makeup in the hope that President Salinas will ignore the siren song.

Each has his team of touch-up artists and wardrobe experts: "political operators" who are working to carry their boss to the presidency and who so far have put

Pedro Aspe in the lead, followed by Manuel Camacho, Fernando Gutierrez Barrios, and Luis Donaldo Colosio.

This is the word from the Mexican Public Opinion Institute (IMOP) and the Higher Institute of Democratic Culture (ISCD), which specialize in research and polls on the presidential succession.

President Carlos Salinas himself pushed the clock forward when he named Pedro Aspe a cabinet supersecretary (Finance absorbed Planning and Budget), appointed Ernesto Zedillo as secretary of education, and sent Colosio into another supersecretariat, which now runs Pronasol [National Solidarity Program]. He revived futurism when in April (and again last week) he expressed support for and confidence in Manuel Camacho for his work as head of the DDF [Department of the Federal District].

Since then the "political operators" have stepped up their efforts. The Colosio team's main operators in Congress are: Senator Eduardo Robledo, Deputies Roberto Madrazo, Abrahan Talavera, and Miguel Angel Yunes. All of them "build consensuses" and try to give the head of Sedesol [Social Development Secretariat] a greater presence in the Legislature.

The main pro-Colosio governors are Jorge Salomon Azar Garcia in Campeche; Dulce Maria Sauri Riancho in Yucatan, the former finance secretary of the PRI National Executive Committee, which Colosio chaired; and Manuel Gurria Ordonez, who with the support of Colosio and Carlos Hank Gonzalez became governor of Tabasco when Salvador Neme fell, after serving as senator and secretary of regional coordination of the PRI National Executive Committee.

Also on the Colosio team are governors-elect Eduardo Villasenor of Michoacan, Patricio Chirinos of Veracruz, and Diodoro Carrasco of Oaxaca, although the latter also belongs to Pedro Aspe's group. Eduardo Robledo lobbied Colosio to support Maximiliano Silerio as secretary general of the CNC [National Peasant Confederation] and later as a candidate for governor of Durango.

One of the main operators inside Sedesol is its chief official, Rafael Resendiz, who performs his mission with newsmen and mass media owners, to whom "he sells Colosio's image" (or "profile," as Borrego would say).

Undersecretaries Carlos Rojas (Pronasol) and Alfredo Philips Olmedo (Housing), and the coordinator of administrative divisions, Oscar Navarro, also lend support to governors and mayors, giving them the impression that Colosio is "the man closest to Salinas."

Moreover, Colosio has friends in the opposition, including Ernesto Ruffo, the governor of Baja California, who until recently was mentioned as the leading PAN presidential hopeful. He is also a friend of Rodolfo Elizondo, the now losing PAN-PRD candidate for governor of Durango, and of Guanajuato's PAN governor, Carlos Medina Plascencia. Colosio was their schoolmate at the Monterrey Technological Institute of Advanced Studies.

In early August Medina Plascencia agreed to a possible "try for the big one in 1994," though the coordinator of PAN deputies, Diego Fernandez de Ceballos, is also presumably seeking the nomination.

Alongside Eduardo Robledo is Senator Silvia Hernandez, the leader of the National Union of Former CNOP [National Confederation of Popular Organizations] Members (UNE), who is working to bring professionals and urban leaders across the country onto the Colosio bandwagon.

The Forum of Professionals was established inside the UNE for this purpose on Thursday the 20th. It will be part of the National Citizen Front and will bring together mainly college alumni associations and public servants. At that very ceremony Genaro Borrego spoke of a "structural rebuilding" and announced that PRI candidates would have a "new profile."

Much Too Early

A few days later, 25 August, the technical secretary of the National Political Council, Ignacio Ovalle Fernandez, agreed that one of the purposes of rebuilding PRI is precisely to define the profile of the presidential candidate. "But it is much too early to talk about that," he added.

The "political operators" do not think that it is too early to work for their respective presidential hopefuls. In the Chamber of Deputies the pro-Pedro Aspe faction is headed by Angel Aceves Saucedo, who unsuccessfully sought the PRI nomination for governor of Puebla.

Outside the chamber the finance secretary's supporters include a majority of the new-look bankers; the governor-elect of Oaxaca, Diodoro Carrasco (he was a student of Aspe's at ITAM [Autonomous Technological Institute of Mexico]); the federal attorney for consumer affairs, Alfredo Barranda; the undersecretary of tourism, Bruno Kiehnle, and the candidate for governor of Tamaulipas, Manuel Cavazos.

Ernesto Zedillo's group is headed not by a deputy but by the chamber's treasurer, Benjamin Hedding, a former senior official with the National Polytechnic Institute, who like other lawmakers is working for the former education secretary.

Few in Congress are thinking about Fernando Gutierrez Barrios. His camp consists of several deputies from Veracruz and is led by Oscar Pimentel Gonzalez, who before serving as a deputy from Coahuila was an Interior Secretariat official.

Fernando Ortiz Arana, the majority leader, says that he is "institutional" and sees to it that the deputies do not overdo it, especially because many of his colleagues think that he could be the next president of PRI.

The leader of the Senate, Emilio M. Gonzalez, who serves the interests of the president and the leader of CTM [Confederation of Mexican Workers], Fidel Velazquez, is "institutional" too.

In the Senate, however, Carlos Sales Gutierrez, the former treasurer of the DDF, works for Camacho. So does Manuel Aguilera, whose mission is to bring senators into the Camacho camp while as leader of the Mexico City PRI he pushes the party line.

Prominent in Manuel Camacho's camp in the Chamber of Deputies are Rodolfo Echeverria, Pedro Ojeda, Javier Garduno, and Jose Antonio Gonzalez.

Outside the Congress the former governor of Tlaxcala, Tulio Hernandez, is another Camacho activist; as director of the Mexico City Historical Center, he develops ties between the capital-city mayor and academics, artists, and intellectuals. Other obvious Camacho backers are Marcelo Ebrard, the PRI secretary general for internal affairs; Juan Enriquez, the director of Servimet [Metropolitan Services]; and Diego Valades, the new attorney general for the Federal District (DF), who has always belonged to Enrique Gonzalez Pedrero's camp.

Javier Beristain, the secretary general of planning and evaluation in the DDF, performs a similar function. When he was rector of ITAM, he made room, as professors, researchers, or lecturers, for many of the economists who now hold major posts in the federal government.

The Camacho activists among DDF delegates are Oscar Levin, Guillermo Orozco Loreto (the nephew of Javier Garcia Paniagua), Luis Martinez (the losing Oaxaca gubernatorial candidate), and Carlos Salomon Camara. The latter two build ties between Camacho and newsmen and writers.

Also identified as Camacho men are the secretary of agrarian reform, Victor Cervera, who is said to be a close friend of the mayor; the attorney general of the republic, Ignacio Morales Lechuga, and Francisco Ruiz Massieu, the governor of Guerrero and president of PRI's 21st Century Foundation.

Prelude

If many people support Camacho, many also attack him, so much so that President Salinas came to his defense once again on Wednesday the 26th, as he did five months before.

In April Camacho's critics were ruling him out as a presidential hopeful and were predicting that he would resign soon as DDF chief. But instead of "having him resign," Salinas praised him:

The mayor, Salinas asserted, has governed the Federal District "with great talent and sensitivity, and for this reason the president of the republic will continue to support him resolutely so that he can keep on doing his duty for the residents of the capital."

Such praise revived futurism. Since then Camacho has perhaps been the presidential hopeful who has taken the hardest hits. During the last half of July, while President Salinas was in Europe, there was even an uproar over the rumor, which was quickly denied, that the mayor had dined privately at "the home of former president" Miguel de la Madrid.

The attacks on Camacho intensified last week and the week before because demonstrators had camped out in Constitution Square and a march ended in violence outside Los Pinos [the presidential residence] 10 days ago.

Several PAN deputies and PRI Deputy Everardo Gamiz commented that the marches and demonstrators in Mexico City represent "the prelude to the campaign" for the presidency of the republic.

Once again the president came to Camacho's defense:

The mayor, Salinas said, is governing Mexico City in accordance with the guidelines indicated by the Federal Executive Branch, which are dialogue, reconciliation, consensus-building, and strict law enforcement whenever necessary.

Camacho, the president went on to say, is doing a very effective, very devoted, and very committed job. For this reason "a desire to work, to live in harmony, to progress" can be sensed in the DF.

Before this praise, Pedro Aspe was leading in the polls on the presidential succession, according to IMOP, which is presided over by Luis Sanchez Aguilar and is run by Dr. Adip Sabag.

With several members of the presidential cabinet ruled out, such as Jaime Serra Puche and Carlos Hank Gonzalez, who for legal reasons cannot seek the presidency, second place in the polls went to Camacho, third to Fernando Gutierrez Barrios, fourth to Luis Donaldo Colosio, and fifth to Ernesto Zedillo.

These findings prompt IMOP to say that "the PRI candidate in the 1994 election will come from the group consisting of Pedro Aspe, Manuel Camacho Solis, Fernando Gutierrez Barrios, and Luis Donaldo Colosio."

Given the discredit into which polls have fallen, the IMOP president has this to say in his institute's defense:

"We do not conduct polls on commission or for partisan purposes. Our aim is to do research and develop information for a better knowledge of our political reality."

"Events themselves," Sanchez Aguilar boasts, "have shielded us from discredit. In 1974, more than a year before the PRI unveiling, the IMOP predicted that Jose Lopez-Portillo would be the candidate. In 1980, also a year in advance, the IMOP said that Miguel de la Madrid would be the PRI candidate. In late 1986, our institute predicted that the ruling party's candidate would be either Carlos Salinas, Alfredo del Mazo, or Manuel Bartlett."

The director and manager of the Higher Institute of Democratic Culture, Eduardo Mendoza and Oscar Campos, respectively, defend their polls as well; they too mention the names Pedro Aspe, Manuel Camacho, and Luis Donaldo Colosio.

In its most recent poll the ISCD also mentions as potential opposition candidates for president Porfirio Munoz Ledo of the PRD, Diego Fernandez de Ceballos of PAN, and Luis Pazos, replacing the deceased Salvador Nava, as an "independent candidate."

The officials of the IMOP and ISCD caution that Salinas' recent praise of Camacho could alter the findings of their most recent polls.

But even more than such praise, the IMOP president says, what would turn the entire picture upside down would be if reelection ceased to be a phantom and became a reality.

El Salvador

Bernard Aronson Arrives, Cristiani Comments

PA0110175292 San Salvador Canal Doce Television in Spanish 0300 GMT 1 Oct 92

[Excerpts] Bernard Aronson, U.S. assistant secretary of state for inter-American affairs, arrived in El Salvador at noon on 30 October for a four-day visit. He will hold meetings to discuss the current situation of the peace process. The discussions will center on the demobilization of the Farabundo Marti National Liberation Front [FMLN], the implementation of human rights reforms, and the analysis of the report issued by the commission evaluating the Army.

Although President Alfredo Cristiani has insisted the report of the Ad Hoc Commission is confidential and will be seen only by the United Nations, Bernard Aronson said his government is interested in the full implementation of the recommendations made by the evaluating commission. [passage omitted quoting Aronson]

Meanwhile, President Cristiani considers that the Aronson visit will serve to reiterate U.S. support for the peace process. The president said that although the main objective of Aronson's visit is diplomatic in nature, Aronson will inquire about the peace process, in view of the fact that the United States is one of the nations most committed to peace in this country.

[Begin Cristiani recording] I imagine the peace process is one of the issues to be discussed. That topic will be discussed by anyone who comes here. I have no doubt that the United States, as one of the countries that has helped the most during this process, continues to be interested in seeing how this process takes place. The land issue is currently being discussed with Mr. Goulding, who represents the United Nations. [end recording]

The president also reiterated that the Ad Hoc Commission's report is confidential, so only the president and the United Nations should see it. In this way, he rejected the National Commission for the Consolidation of Peace [Copaz] request to study the document.

[Begin Cristiani recording] I think there are several means of verifying compliance with the agreements. Some of the main ones are UN Observers for El Salvador and the UN secretary general. Unless someone in Copaz has doubts about the honesty of the secretary general, I think we should trust the United Nations. I think the UN officials are aware of the importance of maintaining the confidentiality of the report. We hope Copaz will understand this. [end recording]

Cristiani Regrets FMLN Demobilization Failure

PA0210025492 San Salvador Canal Seis Television in Spanish 0200 GMT 1 Oct 92

[Text] President Alfredo Cristiani regrets that the Farabundo Marti National Liberation Front [FMLN] did not demobilize its third contingent, an operation scheduled to be carried out today. Cristiani underlined the role played by Marrack Goulding, assistant UN secretary general, and the visit of Bernard Aronson, assistant secretary of state for inter-American affairs.

Aronson arrived in El Salvador today. According to Cristiani, the visit has to do with diplomatic affairs, but it could also serve to clarify the distribution of land to former combatants and the third contingent's failure to demobilize, an action scheduled for today. Cristiani regrets that this did not take place.

[Begin Cristiani recording] I suppose the peace process would be discussed during this visit. All the people who come here discuss this subject. I have no doubt that the United States, one of the countries that has cooperated the most in the process, together with the so-called four friends, is very much interested in the development of this process. [end recording]

Land distribution, however, is being discussed only with Goulding.

[Begin Cristiani recording] Land distribution is being discussed with Goulding, who represents the United Nations. [end recording]

The president also referred to remarks by some Copaz [National Commission for the Consolidation of Peace] members, who want to know about the report by the Ad Hoc Commission on purging the Armed Forces.

[Begin Cristiani recording] Unless someone doubts the secretary general's honesty, I think we all should trust him. The people have expressed their opinions and those who are responsible are aware of the importance of keeping this report confidential. [end recording]

This means that only the United Nations and the president will have access to it. Cristiani believes the peace process has advanced and that there is no reason to extend the date stipulated by the peace accords. President Cristiani, very optimistically, believes the peace agreements will be implemented on 31 October. There is exactly one month to go and there are still some points difficult to execute. Guerrillas have used as an excuse to demobilize gradually the slowness with which the government has been transferring lands to former combatants. This point could be explained after Goulding's visit.

Guatemala

URNG Reportedly Fired at U.S. DEA Helicopter

PA0210134392 Guatemala City Teleonce Television in Spanish 0330 GMT 1 Oct 92

[Text] Official military sources reported that a relationship has been found between the sabotage on energy towers on 27 September and the attack on a U.S. DEA helicopter in a nearby region. Captain Julio Alberto Yon Rivera, head of the Information and Press Department

of the Army, said members of the Guatemalan National Revolutionary Unity [URNG] were involved in the incidents reported in that zone.

[Begin recording] [Yon] After making the necessary inquiries, we determined that a group of URNG rebels attacked the Bell 2-12 helicopter with rifle fire. A U.S. citizen was wounded in the attack. This is the same URNG group that unsuccessfully tried to blow up an energy tower in Brito village, Guanguazapa Municipality. After they placed explosives in the energy towers, they left the area on foot. A few hours later, after walking 6 km, they saw a helicopter flying overhead. They fired at it because they thought a military aircraft had located them. The rebels put holes in the helicopter's fuselage by firing Soviet-made AK-47 7.62-caliber rifles.

[Reporter] Who owned the helicopter?

[Yon] The helicopter has a U.S. registration number and is leased to a private company. Information provided by the U.S. Embassy indicated that DEA had leased it. [end recording]

Killers of U.S. Citizen Devine Sentenced

PA2909233192 Guatemala City Teleonce Television in Spanish 1800 GMT 29 Sep 92

[Excerpt] On 29 September a military court sentenced six soldiers to a sentence of 30 years, incommutable, for the assassination of U.S. citizen Michael Devine in Poptun, Peten, in July 1990.

Army Captain Hugo Roberto Contreras Alvarado, who is also involved in the deed, was acquitted of the crimes of kidnapping and murder, reportedly for lack of evidence. The public ministry will file an appeal against the court ruling on Capt. Contreras because the ministry feels he participated in a cover up, according to Attorney General Acisclo Valladares Molina. [passage omitted]

Nicaragua

Cesar Comments on Supreme Court Action

PA0110134592 Managua Radio Corporacion in Spanish 2200 GMT 30 Sep 92

[Text] A National Assembly session scheduled for 30 September was suspended by National Assembly President Alfredo Cesar Aguirre, because the Supreme Court of Justice sent President Violeta Barrios de Chamorro an amparo writ against the National Assembly. Since the political situation between the legislative and executive branches is becoming difficult, the Nicaraguan National Assembly president did not hold the session, in order to enable a meeting to be held at his office with leaders of the National Opposition Union [UNO] parties. Cesar asked UNO deputies to attend the 1 October session so they could continue the discussions on the National Assembly agenda.

[Begin Cesar recording, broadcast in progress] ....issue a ruling on the amparo writ filed against the National Assembly. The report by the National Assembly president was submitted to the Supreme Court of Justice on Friday, 25 September. The court failed to issue a ruling; simply by enforcing an article in the amparo law, it sent the case to the Presidency with instructions to use all available resources to implement the ruling issued by Court of Appeals. Consequently, members of the judicial branch passed the ball to the Presidency at 1650 on 29 September, basing their action on one article in the amparo law. They instruct the Presidency to fully exercise its authority and implement the ruling issued by the Court of Appeals.

Given the situation and the lateness with which the note was received, it was not until the representatives began to arrive for the 0900 session on 30 September that a large group of faction leaders began to inquire about the case, after learning about it in the media. They learned about the case early this morning, before we had the opportunity to discuss it in a session. They said it would be advisable to hold an urgent meeting with faction leaders to analyze the case and prepare for whatever actions the executive branch may adopt against the National Assembly. As you have learned from the media, these actions may include an economic suspension, meaning a suspension of the budget, effective 1 October, or the use of military force to close down these facilities. I have even been told I could be arrested this evening.

There are many options, and they are formally and officially in the hands of the president. The directorate board has decided it is better to heed the request submitted by these groups of deputies, including several faction leaders, so we may meet immediately to analyze the situation. Once the directorate board decided this, we notified the distinguished deputies of our decision, because we knew they would understand the circumstances concerning this case. Likewise, the directorate board immediately authorized the Economic Affairs, Finance, and Budget Commission to meet with Deputy Finance Minister Marta Palacios. She is currently meeting with the commission to discuss the 1993 budget and other issues handled by the commission.

Consequently, we ask you, Messrs. representatives, to return at 0900 on 1 October to hold the session we were scheduled to hold on 30 September. Given the developments of 29 September, we have accepted the request submitted by the faction leaders. [end recording]

Managua Reports Central Bank President Resigns

PA0110153292 Managua Radio Nicaragua Network in Spanish 1100 GMT 1 Oct 92

[Text] It has been officially reported that Central Bank President Silvio de Franco Montalvan resigned his post on 30 September.

De Franco, who two months ago admitted having differences with the other ministers in the economic cabinet,

sent a letter to the president of the Republic announcing his decision to leave the Central Bank.

The Central Bank will be temporarily headed by Finance Minister Emilio Pereira Alegria, who is also vice president of that institution. Deputy Finance Minister Marta Palacios will assume some of the Finance Ministry functions.

* Former Commander on Danger to Resistance

92CA0222B Managua LA PRENSA in Spanish 29 Aug 92 p 4

[Report by Jose Andres Soza]

[Excerpt] Boaco—The former commander of the "Resistance," Rito Arauz Lopez, 65, whose pseudonym is "El Increible" [the incredible one], stated in an interview with LA PRENSA that he is extremely concerned about the situation in Nicaragua. He added that they turned in their weapons in San Pedro de Lovago when President Violeta Barrios de Chamorro asked them to disarm.

He was on the general staff commanded by Franklin, Ruben, and other commanders who spent nine years in the underground. Today, "El Increible" spends his time working the land, but he does not have the support they were promised when they disarmed. They were told at the time that they would be given financing for land improvements.

"Today what we have is threats to our own security," he added, "and several commanders have been murdered by Sandinist forces, having been taken right out of their homes. Then there are those who live up in the hills, having been persecuted and jailed just for belonging to the Resistance.

"Today we have been forgotten; we have nowhere to turn because no one remembers the former combatants, not even the soldiers who were on the battlefront right next to them.

"I am asking people to give us more consideration, because we risk our lives every day," he added. [passage omitted]

* Divisions Within UNO Explored

92CA0222E Managua BARRICADA in Spanish 30 Aug 92 p 7

[Text] In recent days, signs of division or crisis have been seen in the National Opposition Union (UNO), especially in the wake of the so-called "solemn declaration," a somewhat pompous statement issued by "the three" (Alfredo Cesar, Virgilio Godoy, and Arnoldo Aleman). The declaration criticizes the government without taking into account the majority of parties in the coalition.

In fact, the document issued by "the three" called for a day of street protests against the government of President Violeta Chamorro. The protests never came about precisely because of the differences with other parties in the UNO coalition.

Only hours after the solemn occasion at the CAS [expansion not given], a group of Christian Democratic deputies approached Alfredo Cesar's office on the fourth floor of the National Assembly building to complain to the head of the legislature about the "sell-out" of the Social Democrats to the Liberals of Godoy and Aleman. The National Conservative Party (PNC) of Jose Castillo Osejo, Edmundo Castillo, and Nicolas Bolanos, among other well-known adversaries of the administration's current policies, not only openly criticized "the three," but also met with Minister of the Presidency Antonio Lacayo (the main target of the UNO's traditional attacks) in a secret, long, and "very fruitful" conference, say sources directly involved.

Lacayo, on the other hand, also met with the Socialists of Gustavo Tablada (without Luis Sanchez, of course) and with the Christian Democratic Union (UDC) of Azucena Ferrey, Agustin Jarquin, Cairo Manuel Lopez, and Luis Humberto Guzman. In addition, it has been announced that Lacayo will meet soon with Hernaldo Zuniga's National Conservative Action (ANC). Obviously, something strange is happening, both within the UNO and in the coalition's relations with the government, which until recently were stormy and apparently irreconcilable. What lies behind this mating dance? From what we have been able to gather from national political insiders, a dual "interest" has developed over time that can only be resolved or satisfied by a rapprochement between the UNO, or at least part of the coalition, and the government.

Besides the current withholding of the $104 million in U.S. aid to Nicaragua, in September the U.S. Congress is scheduled to debate that country's 1993 budget, which of course includes the cooperative aid that Washington gives Managua.

It is clear that the government has an "interest" in finding ways to send strong enough signals to the United States that things are working in Nicaragua, and one such way is through its relations with the parties of the UNO.

Everyone in the UNO knows this full well, of course, and they are aware of the importance the government attaches to the final quarter of Nicaragua's annual legislative term, when not only the Labor Code, but also the General Budget of the Republic must be passed. Such actions always involve bitter controversy in the legislature.

But aside from the government's concerns, there is also the fact that Alfredo Cesar's term as president of the National Assembly is drawing to a close, and that new members will have to be elected to the legislature's Executive Board in January.

At present, the government appears to be headed toward supporting some of the candidates of the so-called

"center group" of the UNO, Gustavo Tablada for president of the Assembly, perhaps, with the vote of the Sandinist bloc forming a majority.

There are others, however, who are interested in dominating the Executive Board, including the Christian Democrats and the Conservatives of the PNC and ANC.

That "interest" makes it necessary for those UNO parties to come under the government's umbrella, which no doubt entails pacts. "Cesar is done...now it is our turn," said a member of the Christian Democratic Union a few days ago. So it seems clear that there are groups within the UNO that would like to make a deal with the government in a political trade-off. This deal should take place immediately, since in order to think about supporting someone in the legislature in January, the government must first look at the bloc's "behavior" in the all-important final quarter of the annual legislative session.

"The three" are being bypassed in these initial overtures, of course, as they refuse to reconcile with the government. But others have been left out as well: people who were simply forgotten, such as some Liberals who are neither with Godoy nor with Aleman, and the once-powerful Conservative Party of Miriam Arguello.

We decided to interview them on this subject for our Sunday debate section.

Miriam Arguello: The Government Wants To Break Up the Bloc

In view of the government's effort to hold unilateral talks with various groups of the UNO separately, Miriam Arguello expressed vehement indignation at what she regards as an "old Somoza tactic" of trying to divide the political parties.

The Conservative deputy, who was president of the National Assembly in the last six months of 1990, has since earned a reputation in the legislature as a strong adversary of President Violeta Chamorro's government, or more precisely, of the administration's policies.

Mrs. Arguello is now being mentioned as a possible candidate for the presidency of the National Assembly in next January's elections, although she does not seem to have much support in the legislature, much less on the other side of the street, in the administration.

Whenever Dr. Arguello asks for the floor on the therapeutic "prior points" of the traditional agendas in the plenary sessions of the legislature, everyone knows they will hear a diatribe against the administration, particularly against Minister of the Presidency Antonio Lacayo.

Arguello accuses Lacayo of assuming a role that is beyond his purview, since—she claims—the powerful minister was never elected by a vote.

Deputy Arguello even allows herself the occasional luxury of setting her sights on President Chamorro herself, taking advantage of the fact that she is a woman and scoffing at the fear other politicians have of bucking the tide of public opinion by criticizing a still very popular leader to her face.

"Antonio Lacayo thinks he is managing one of his haciendas, and he treats the other ministers as if they were his servants," Miriam Arguello said in public one time, warning that "he will not treat us that way," referring to the UNO parties, "just forget it."

Thus, no one was surprised at Deputy Arguello's reaction to the news that Lacayo has met with leaders of the Socialist, Christian Democratic, and National Conservative Parties, and soon with the National Conservative Action.

"I think the commitment made by all of the parties in the UNO and by President Chamorro herself and Vice President Virgilio Godoy is a joint commitment," said Dr. Arguello.

"That is why I have always criticized the administration's isolation from those who brought it to power...and the joint commitment must be studied jointly," she added, trying to distinguish between "ad hoc" issues and the "comprehensive" issues of the UNO government program.

Old Tactic

[BARRICADA] But what do you think of Lacayo's contacts with some of the UNO parties? Could that be the beginning of a joint dialogue, or is this just palace intrigue?

[Arguello] This is an old Somoza tactic. The Somocists would summon the political parties individually...and later on the Sandinists followed this practice occasionally.

They call them in individually to see what they can do for them, what they can get out of them, and to break up the unity.

And it is not that my party or I personally am always thinking in terms of a bloc in the future, but we do think that the solution to problems, the discussion of everyone's commitment, should be done as a bloc.

Government's Dirty Tricks

[BARRICADA] Yet both the National Conservative Party and the Christian Democratic Union stated that in their bilateral talks with the government a door has been opened and that...

[Arguello] Well, look here...they can find positive things that do serve their own interests as a party.

And I reiterate that my party has not been in agreement; moreover, we have criticized the possibility of maintaining this large bloc in the future. But as for the commitment and obligation assumed by the UNO, that is a matter for everyone to resolve.

What the administration is up to now is dirty tricks...and anyone who wants to get mixed up in that, it is their funeral.

[BARRICADA] And what if the government invites you to a separate dialogue as well?

[Arguello] If they ask my party to meet with them, we will go. But only to tell them that this is not the answer, that they should find ways to talk with all of the parties that make up the UNO.

There is no solution to be found in breaking up the unity of the commitment.

Right To Run for Executive Board

[BARRICADA] It would appear that the prospect of the upcoming elections in January for a new legislative Executive Board is dividing the UNO. Names of potential candidates are already being bandied about...

[Arguello] Let us draw a distinction. I believe that the 51 UNO deputies in the National Assembly should act in concert and in unison to legislate in accordance with the UNO commitment. All of that has nothing to do with what the political parties decide to do with the bloc in the future.

Now, to be talking about candidates for the Executive Board at this point, I tell you, that is the right of every deputy. That is the way it is, and you have to see the difference, you know?

Jaime Bonilla: Administration Has a Right to Unilateral Talks

Independent liberal (independent even of the Independent Liberals) Jaime Bonilla believes that the overtures that President Violeta Chamorro's administration has been making to the various parties or "sectors" of the UNO are "healthy and necessary."

Distanced from the government by the still fresh memory of a televised fist fight with Antonio Lacayo during the electoral campaign, and from the main leaders of his own Independent Liberal Party (PLI) because of the efforts to oust Dr. Virgilio Godoy, Bonilla still goes along with the majority of the UNO in the legislature—that is, against the administration—in spite of it all.

It is worth noting, anecdotally, that a few days ago, when the National Assembly was on the verge of voting in a plenary session on the six percent for higher education, Bonilla was among those who planned to support the ruling in favor of the university students.

When Virgilio Godoy stated publicly, however, that he was recommending that the PLI deputies vote in favor of the six percent, Bonilla refused to make a statement backing the university students. He waid that his vote would be "the only liberal...independent vote."

This time, once again, he has contradicted his colleagues in the legislative bloc, contending that he sees no "evil intent" on the part of the administration, more specifically on the part of Minister Lacayo, in summoning the parties and "ideological" groups separately rather than talking with everyone in the UNO together.

"The administration has the right to seek a unilateral or a comprehensive dialogue with parties or ideological forces, as long as the goal is to make important and necessary changes in government policy," stated the liberal deputy when questioned by BARRICADA.

"Any effort at conversation aimed at improving our relations with the administration, while respecting the principles and demands that UNO has put forth, is...laudable," he emphasized.

[BARRICADA] There are those in the UNO who maintain that the commitments that date back to the origin of the UNO should be discussed as a bloc and not separately...

[Bonilla] Well...so far all comprehensive efforts have failed. And I cannot discount the possibility that efforts of a, shall we say, sectoral nature may serve to sensitize the administration to the changes in...mission that are required.

How the UNO Works

[BARRICADA] Is there a crisis of unity within the UNO?

[Bonilla] It is not exactly a crisis. What we have here is a lack of understanding of how the UNO works and carries out its actions.

There is an alliance to make overall proposals, but without losing party identity. Each party in the UNO has reserved the right to carry out its own actions and efforts, which it proposes on its own. And even though there are sometimes complaints or recriminations, that is the way the UNO works.

[BARRICADA] So...there is no crisis, then?

[Bonilla] There is no such crisis within the UNO. Look-...the UNO has been like this ever since it was founded.

Government Crisis

[BARRICADA] Some UNO leaders have suggested that the coalition is being dismembered or split apart to a certain extent, as the end of the Assembly Executive Board's term draws near. This is forcing coalition members to seek alliances with the government or with the Sandinists to try to dominate the Board. Can that be what is behind these strange conversations?

[Bonilla] The truth is that this kind of unilateral invitation issued by the administration to a party or sectoral group has always been around; it is nothing new.

Sure, now there are at least three reasons coinciding with each other, and one of them is, as you say, the upcoming election of the National Assembly Executive Board.

But I think that on the other hand, we must realize that one of the main reasons is the crisis that the government itself is going through, which has grown worse.

Withheld Aid, Poor Image

[BARRICADA] What crisis are you talking about?

[Bonilla] Well...there is the withholding of foreign aid, the crisis of foreign aid. In addition, there is the problem of the government's poor image at home. That is a crisis.

And we must also mention the polarization that exists between the country's political sectors and the executive branch. I am referring to that entire crisis, which is growing worse.

[BARRICADA] But political insiders also say that the recent declaration issued by Alfredo Cesar, Virgilio Godoy, and Arnoldo Aleman caused other parties (such as the Conservatives and the Christian Democrats) to feel excluded, and that...

[Bonilla] Yes, there is a third reason. Indeed, there are political groups or ideological associations that have felt excluded from what have amounted to points of political leadership or spearheading in recent weeks.

But I would like to state very clearly that I think there is definitely not an internal crisis in the UNO. That is not it.

* Commentary Rejects U.S. 'Pressure'

92CA0225D Managua LA PRENSA in Spanish 8 Sep 92 p 14

[Commentary by Cristiana Chamorro B.: "Pressure and Realism"]

[Text] Less than a week ago, officials arrived in Managua from Washington, with the mission of submitting to the government of the Republic and the political parties an expansion of their list of conditions for releasing to us the economic aid promised by President Bush.

It was learned that the creation of a "Board of Notables," appointed by the United States, to govern jointly with President Chamorro, was one of the innovations suggested by the Americans. The proposal received the greatest applause in the extreme portion of the UNO [National Union of Opposition], and caused a storm of anxiety in the Sandinist top echelon.

"If we want their economic assistance, the United States has every right to appoint notables to guide the president," remarked traditionalist politicians, when I told them that I knew of and supported the position of President Chamorro. She rejected the aforementioned "Board of Notables," and did not accept the expanded conditions; nor would she back down from the commitment made with the United States for guaranteeing American aid to Nicaragua.

With that conduct, President Chamorro's government asserted itself over extremist sectors which, both inside and outside the national territory, have wanted to see her either acting submissively toward Washington or confronting it. Both are extremes of a pendular movement in our political history, one that the whole world seems to have overcome.

No one can deny that Nicaragua heeded the State Department's original concerns, offering concrete mechanisms for resolving, in time, and to the extent of its potential, the properties in dispute, and the changes in the National Police.

President Chamorro kept her word despite the United States' nonfulfillment in delivering the funds offered for August. Moreover, she did so despite the resultant public threats from former President Daniel Ortega to take up arms again and call for the government's resignation.

The Washington emissaries returned to the U.S. capital with a report, in which they will have to admit that Nicaragua's position toward the United States is politically worthy, pragmatic, and realistic. It is neither one of submission, as the far right would like, nor one of confrontation, in the best Sandinist style. Rather, it is one of respect, of negotiation based on mutual interests, and of reciprocity in the commitments assumed.

It was also made clear that a political relationship between the United States and Nicaragua cannot be defined by an alliance between the Nicaraguan far right and the American far right: an understanding among minorities, temporary because of conditions known to everyone, and with spokespersons who are not representative, such as the impassioned Mrs. Deborah De Moss.

Similarly, the necessary political understanding between Nicaragua and the United States is not being shaped by the sheer ideological and demagogic proposals of a Sandinist leadership that has not been able to surmount its defeat, to define itself as a democratic force, nor to trust in Dona Violeta's national plan.

Confronted with ideologies and with anti-imperialism or pro-imperialism, both exacerbated and backward, Nicaragua's present and future impose the necessity for obtaining American financial aid without intolerable conditions. It must be in a general and specific context of new relations that will in some way compensate for the damage and mistakes of past interventions.

History and political equity suggest this new view of our relations with Washington. Consistent with it, the government has an obligation to safeguard the national interests. This is why we understand and support Nicaragua's having accepted the United States' suggestions at the appropriate time. They are valid, provided that they are subordinate to the preservation of our institutionality and our policy of national reconciliation.

Changing the National Police structure and commands without the institution's own support, or forcing such changes in order to respond to outcries based on vengeance or passion, shows the difference between

achieving substantial transformations, or inducing their explosion in the nation's face at any time, because of their being unacceptable.

Similarly, the action taken by the government should not be any shock at the other end of the political chain. The changes in the police, and the action reportedly planned in the area of property, had to be achieved sooner or later. Rectification, modification, and adjustment are instruments in a process of institutionality that will not end, either in 1996 or later.

In the middle of the extremes, the majority of Nicaraguans would expect from Washington a partner relationship in continental democracy, not that of an inquisitor, vigilante, or policeman. They, like us, have reiterated that they desire a strong state with the rule of law. There is no doubt that we share the same democratic plan, without ever losing sight of the fact that what is negotiated with the United States must always be voluntarily accepted, based on the national interests, our society's harmonious development, and our history and idiosyncracies.

The assistance should in no way even suggest any type of blackmail or imposition. Still vivid in the memory of all Nicaraguans are recollections of the damage to the national dignity caused in the past by the invasions of Marines. Under no circumstances must the Marines of the past be replaced by the dollars of the present.

* Sandinist 'Atrocities,' Police Changes Viewed

92CA0225E Managua LA PRENSA in Spanish 8 Sep 92 p 14

[Commentary by Horacio Ruiz]

[Text] In the appointment of Commander Fernando Caldera as the new police chief there has been a mixture of reconciliation, repentance, and forgetfulness. However, not all the individuals involved in these actions and intentions have been left satisfied.

Once again, it is being asked whether we must tolerate all the excesses to which the Sandinist dictatorship succumbed as an inevitable purge to be swallowed on behalf of national reconciliation. In response to this, we must stress that reconciliation is not involved here, because it was only the Sandinists who acted dreadfully while heading the government, attempting to impose a life sentence of tyranny on the Nicaraguan people. So, we cannot become reconciled with them, in the lofty sense of the term, because the Sandinists still maintain their same political principles. They remain faithful to their statutes, and are planning to return to power in 1996.

In any case, it is the Sandinists who must become reconciled with each other, realize their mistake, and pray their "mea culpa." There was some of this in the ceremony at which prominent executors of the Sandinist police repression left the scene last Saturday. We hope that they are not "active retirees." Unfortunately, the new figure who occupied center stage does not have the best credentials.

The authoritative and respected voice of Bishop Pablo Antonio Vega, victim of one of the worst Sandinist outrages, described a Chontales citizenry astonished that Caldera has been promoted to the rank of National Police chief, considering the extremely harsh repression that he exercised during his tenure as an authority in Chontales, according to the prelate.

Bishop Vega made a marvelous comparison, noting that the UNO [National Union of Opposition] government seems subjected to a special type of "internal colonialism," in being unable to appoint to the National Police headquarters a person more worthy of confidence by nature and activity. The bishop remarked that it is only fair to reveal publicly what type of obligation binds the government always to appoint a Sandinist figure to police or military positions. After all, the Sandinists were ousted from power by Nicaraguan voters in 1990, precisely because that massive will of the people wanted a change in structures and individuals.

In the repentance department, Commander Caldera, explaining his conduct in Chontales, gave a reminder that he had been influenced by the fact that his father was a prisoner of the Somoza dictatorship and that a brother of his was, unfortunately, killed by henchmen of that dictatorship. This is an understandable argument from the emotional standpoint, but not insofar as his conduct as an official is concerned. After all, we presume that the revolution of 1979, which cost the lives of thousands of idealistic young people all over Nicaragua, was carried out to put an end to Somozist methods, not to confirm them with a different name. Hence, it will never be possible to explain to Nicaraguans why Commander Caldera decided to give them another dose of Somozist medicine; that is, to apply the same Somozist brutality with a different label.

We disregard Caldera's claim that he will first fulfill his obligation as a policeman, and that his ideology will come afterwards: something difficult to believe, since every person acts on the basis of his beliefs. We must interpret the new police commander's remarks as more of a hasty justification than a genuine renunciation and self-condemnation of his improper actions.

Furthermore, if Commander Caldera's actions can be forgotten and forgiven, why can't the Somozist actions be treated in that way as well? Bishop Vega testifies that he, personally, received the report that 25 prisoners had been thrown into the air from a helicopter under Caldera's command, and that many citizens were moved from their places of residence to distant sites. This resembles the classic Nazi "programs," or the eradication of masses fostered by the Communists. Furthermore, Bishop Vega mentioned specifically a murder that occurred in prison, with Caldera in command, which has not been investigated nor punished.

In what respect can these methods be distinguished from Somozist methods? Why should some excesses be forgotten, and others not? It seems to us that both the Somozists and the Sandinists who committed these savage acts have the same level of repressive mentality, and the same liability before the law. In any country with a suitable legal system, these acts would be cause for persons so notorious for atrocious acts, at least if they were not tried as befitted their direct liability, to be removed from their commands. Otherwise, we would have to allow any Somozist found guilty of atrocities to come and demand again a position in keeping with his abilities; claiming that he acted in this or that manner because a relative of his was killed by the guerrillas at a certain time.

Hence, the appeal to previous atrocities is no justification for new atrocities. In any event, what is fitting is the appointment, to positions such as police chief, of persons devoid of rancor, and neutral in essence and action, who would guarantee justice without vengeance. Hence, only a few persons would be able to preside over action on behalf of a genuine national reconciliation.

* Tariff Reduction, Free Trade Discussed

92CA0225C Managua LA PRENSA in Spanish 8 Sep 92 p 4

[Article by Elberth Duran]

[Text] Through a gradual reduction in tariffs, lasting until the year 2001 in some instances, Nicaragua will attempt to "protect" small and medium-sized local industry from the future effects on it brought by the implementation of the free trade standard agreement signed between the Central American countries and Mexico.

Two of the specific areas given priority in this respect are the clothing and footwear industries.

The reason for these protective clauses is the need to prevent the entry of products that the Mexicans are very competitive in producing (their end prices are lower than the local ones) from dealing a direct blow to national firms engaged in producing similar goods, whose contribution to the local economy is "significant."

This explanation was given by Arturo Solorzano, adviser to the Economy Ministry's General Directorate of Small and Medium-Sized Industry.

The official explained that, with the standard agreement signed, there are now two levels of bilateral negotiation with the Mexicans remaining: one, on a gradual tariff reduction until 1996; and the other including products that must reach "zero tariff" by the year 2001.

On 20 August the process of multilateral negotiation between the Central Americans and Mexico, pertaining to regional products, was completed. Yet to be concluded are bilateral negotiations (between Mexico and each country individually), to reach agreement on the tariff treatment to be given to products that the Isthmus countries want to "protect," and on the method and length of time for doing so.

Solorzano explained that, in this area, Nicaragua's situation is different from that of the other Central American countries. In the rest of the area, the countries impose tariffs on imports coming from outside the region; whereas, here, besides those tariffs, the Selective Consumer Tax (ISC) is collected on imports from both outside and inside Central America.

According to an established timetable, that ISC, which is currently 15 percent, is to be totally eliminated starting in 1994.

It is because of that difference that Nicaragua has negotiated to be accorded "exceptional" treatment, so that it may continue reducing the ISC in stages until free trade conditions are attained within a year and a half.

In this connection, clothing and footwear are two products that clearly exemplify the situation.

For shoes, which enter the national market coming from Central America, before July 1991 an ISC of 120 percent was being paid, as well as a 20 percent Import Tariff Duty (DAI). At present, 15 and 20 percent are being paid, respectively. As of 1994, only 20 percent is to be paid for the DAI.

For clothing, before July of last year, a 60 percent ISC and a 20 percent DAI were being paid. Currently, 15 and 20 percent must be paid, respectively. In 1994, also, a maximum payment of 20 percent will be required.

Within a year and a half, Nicaragua must decide whether it will continue to keep certain products protected, making their import more expensive by way of tariffs. In Solorzano's opinion, this poses the problem of determining which products benefit and which are harmed by a decision of that type.

It is estimated that there are about 4,000 footwear and clothing manufacturing shops in Nicaragua; representing between 15,000 and 20,000 persons directly associated with this industrial activity.

In contrast, the consumer market is much larger. The official noted that, raising the price of such products means exerting pressure on the citizens' purchasing power, raising living expenses, and, eventually, stimulating inflation.

The alternative to the foregoing is to deregulate the market and maintain the maximum possible protection (under those conditions) for the local industry. This would result in providing time to update technology, organization, marketing, and earning power, with which to counteract the country's foreign competitors.

Solorzano remarked that counteracting and attempting to beat foreign manufacturers (both inside and outside Central America) in the industrial area is particularly difficult for the country.

In the official's view, the country is suffering from a technological backwardness of such dimensions that the 20 percent tariff levied on footwear and clothing could easily be outstripped by the efficiency of foreign competitors. They manage to produce with such output that they would have the capacity to enter the local market, despite the fact that they are currently paying 35 percent or more in taxes.

The demarcation of a common Central American tariff in 1994, at a maximum of 20 percent for products coming from outside the region, makes an exception of "fiscal industry": the one enabling the state to accrue large revenues through taxes, such as the manufacture of liquors and cigarettes. Consequently, they are the ones penalized with the highest taxes when they are imported.

* Agrarian Reform To Resolve Property Issue

92CA0225B Managua EL NUEVO DIARIO in Spanish 11 Sep 92 p 8

[Article by Aura Lila Moreno]

[Text] The UNAG [National Union of Farmers and Cattlemen] president, Daniel Nunez, considered the decrees issued by the Executive Branch to put an end to the property problem ambiguous, and somewhat confused. On the other hand, the chairman of the National Assembly's economic commission, Luis Humberto Guzman, claimed that the government's legal regulations are not solving the overall problem involving property.

According to the Social Christian deputy, the executive decrees resolve only what are considered disputed properties. In his view, the property problem could be solved completely through the promulgation of a new Agrarian Reform Law.

This position is shared by the UNAG leader, who remarks that what is needed in Nicaragua is an agrarian reform with economic changes, and not "a political agrarian reform that has been applied, not only in our country, but in all of Latin America."

Policy of Economic Leaders

The property problem cannot be solved with decrees, commented Daniel Nunez, who fears that, because they are "ambivalent, some opportunists may try to cause a setback in all the progress that we have made in the area of agrarian reform." Hence his concern that any legal regulation "must be very clear."

Nunez warned that, "If there is an attempt now to turn back all the progress that has been made, there will be social and economic problems in the rural areas again." Moreover, he asked: "What good is it for a campesino to have land if there are no loans?"; suggesting that: "There should be a national development plan aimed at the small and medium-sized industrial sectors and producers."

After stating that the economic policy should also be revised, the campesino leader expressed the view that, up until now, "we have had a policy of economic leaders, and not of economic changes for the country's impoverished sectors."

Mere Theory and No Practice

Nevertheless, the minister of the presidency, Antonio Lacayo, claimed that it is not intended to give property titles to campesinos and those benefited by laws, so as later to "leave them abandoned." For this reason, he stressed, insofar as loans are available, they will be directed essentially toward small producers.

Nunez will explain his organization's position today, during the seminar on "The social market economy: an efficient economic order with social responsibility," organized by the Ministry of Economy and sponsored by the German Konrad Adenauer Foundation. The function was opened on Thursday by President Violeta Barrios.

The UNAG president asked: "What good are seminars like this if they are still buying coffee from us for only $45? What good is it for them to come giving us lessons in economic democracy when the big powers have decided to sell their products to us at high prices, and buy our products from us cheaply?"

Free Market System

In this connection, he gave a brief advance report on the proposal that he will make today, stressing that what is required is a change in the unjust international economic order. He declared: "It has made us Third World countries impoverished again, while the large countries become rich at the cost of the raw materials that we produce."

Nevertheless, upon opening the seminar, Dona Violeta emphasized that, after observing the success of the developed countries in achieving a satisfactory living standard for their citizens, her government decided "to adopt the free market economic system." She noted that "a social component would be added to it, in order to ensure that the use made of the wealth will be translated into an improved living standard for all Nicaraguans."

* Petrie Considers Changes to Sandinist Youth

92CA0222D Managua BARRICADA in Spanish 31 Aug 92 p 5

[Article by Juan Ramon Huerta]

[Text] Two months before the 6th National Assembly of Sandinist Youth is slated to begin, the current general secretary of that organization, Henry Petrie, has told

BARRICADA that it will embark upon a far-reaching discussion of radical changes in its precepts, objectives, and bylaws.

In addition, formal modifications will be proposed, such as taking the rifle out of the logo and changing the motto, since armed defense is no longer a priority.

Petrie considers himself a link between a youth organization that as recently as its 5th Assembly declared that it would participate in the struggle for power as an appendage of the Sandinist Front, and the need for an organization that will fight for young people's association interests.

The leader is basing his proposals on the fact that the Sandinist Youth will make major changes in its political and organizational approaches in an effort to encourage broad sectors to develop an awareness and participation due to their social and political interests, with a revolutionary identity.

In addition, a single membership status will be proposed, and the profile of the typical Sandinist youth will be thoroughly examined, based on the understanding that young people should aspire to achieve social and economic changes that will prevent the concentration of wealth in a few hands, reject outside interference, defend the environment, and fight against social disintegration.

"The 6th Assembly will lay out a new, modern program that will identify each of its struggles and attack problems at the root. It will give priority to study, work, and the future.

"The organization's flag will still be red, but the rifle will have to be replaced, because the goal of defense has been achieved, although we will still adhere to the philosophy that if we are attacked, we will have to defend ourselves."

Struggle While Immersed in Social Movements

Petrie believes that the victory of the university student movement in the six-percent issue is part of that activity, in which Sandinist Youth leaders must maintain their representation and prestige to lead that type of struggle.

He recalled that the university student body voted for the candidates nominated by the Sandinist Youth, Rafael Henriquez and Danilo Perez, both national cadres of that organization, by a margin of 62 percent.

In addition, the university students accepted the program proposed by the Sandinists, which called for the defense of autonomy, a bigger budget, and university reforms. These battles have been waged because all of the students need them, he stated.

* Problems in Construction Industry Explained

92CA0222F Managua EL NICARAGUENSE in Spanish No 79, 21 Aug 92 p 5

[Text] Until 1979, the construction sector had been very dynamic. It had been self-sufficient in materials, particularly with respect to housing construction, for which the demand was so high that builders founded Development and Financing Companies such as Capsa, Birsa, and Inmobiliaria. The source of financing was primarily international loans. Within the international financial system, however, there were commercial banks that supported thse companies; for example, the Bank of America supported the Sovipe Ingenieros construction firm, and the Bank of Nicaragua supported the architectural and engineering company Arquitectos Ingenieros, S.A. (AISA). Financing programs granted credit facilities with terms of up to 20 years and interest rates of 12 percent annually.

These actions enabled construction firms to undertake increasingly complex projects, supported by the Housing Bank in conjunction with the National Office of Urban Development and the Ministry of the National District. The latter two entities ensured that the development met all of the conditions required by the type of financing, for which the customer was to pay.

After 25 February 1989, when the political party Sandinist National Liberation Front (FSLN) lost the elections, about 15 construction firms that had been confiscated in the 1980s came back into private hands: those of the Sandinist leadership. The political transition period (25 February to 15 April 1989) has come to be known in Nicaragua as the *pinata* [Sandinist government's appropriation of land and property after election defeat]. Beginning in 1990, the current Government of Nicaragua took the first steps toward the privatization of the enterprises controlled by the Sandinist government, which comprised 22 corporations. For the privatization effort, the National Corporation of the Public Sector (Cornap) was set up to perform two functions:

a) return to private hands the companies that had been unjustly confiscated by the Sandinist government, and

b) privatize legitimate state enterprises in which the government is no longer interested, as part of a policy of structural adjustment.

This process has been a slow one, and it has no basis in law. Therefore, there are no guarantees that the private production sector will recover its property and assets, which include the confiscated construction firms.

Today, up to 30 construction firms participate in bidding on projects, though many of them do not have the required capacity. As a result, sometimes the selection process becomes a game of chance, and the overall trend in the country is toward awarding the contract to the lowest bidder, not necessarily to the benefit of the project.

The Military Construction Enterprise continues to exert a great influence on local building activity; it has all the appearances of a civilian company, but it belongs to members of the Army. It wins contracts by competing unfairly with truly private companies, thanks to its low overhead.

Private investment is depressed right now, and private construction firms are merely carrying out cosmetic projects on existing buildings, reinforcing and remodeling.

Nicaragua currently has a housing shortage of approximately 450,000 units, since there were no programs aimed at this sector in the 1980's.

Employment in the construction sector accounted for 4.3 percent of all employment in the economy in 1976, 1977, and 1978; that figure fell to between 2.3 and 2.7 percent in 1988, 1989, and 1990.

In early 1992, the government announced its public investment program of $231.8 million, of which $95.5 million, or 41.2 percent, is earmarked for the construction of roads and highways, bridges, coastal protection, wharves, buildings, electrical power, housing, and water projects. Financial support is being provided by international agencies such as the Inter-American Development Bank (IDB), the Central American Bank of Economic Integration (BCIE), the European Economic Community, COSUDE, and countries such as Holland, Finland, Italy, Germany, Mexico, and Venezuela.

The government plans to build 7,700 housing units in 1992 as part of its public investment program; this will take care of just 1.71 percent of the country's housing shortage, without taking into account an estimated 25,000 new families entering the housing market each year. It is hoped that in the future, international agencies will come in with programs that entail housing construction, so that this social problem can be alleviated and the construction sector can be revived.

* Interbank's Objectives, Potential Outlined

92CA0222C Managua EL SEMANARIO in Spanish No 100, 27 Aug-3 Sep 92 p 8

[Text] The chairman of the board of Interbank, Leonel Arguello, said that his institution's main customers will be medium and small industrial firms.

The former president of the Nicaraguan Institute of Insurance (INISER), Arguello expressed optimism about the future of private banking in Nicaragua. He said that the idea was conceived in 1990, when the possibilities began opening up for reestablishing private banking.

"We would prefer to see the economy stabilized and to have some basic variables defined for entering the market," Arguello told EL SEMANARIO.

Dr. Leonel Arguello is an attorney, and has taken intensive courses in marketing. He also has vast experience in the insurance field. Now he has a new mission: to lead one of the latest private banks to be founded in Nicaragua. Interbank has nominal capital of US $3.0 million, of which $2.2 million has already been paid. This is a good platform for beginning to compete on the banking market.

Currently there are some 60 shareholders. "We are open to anyone who wants to buy our stock. We do not want to be a closed bank; we want to be open to anyone interested in buying into our firm," said Dr. Arguello. A pre-feasibility study of Interbank reports that as a result of the adjustment program and the rigid credit ceilings of the state banking sector, there is a great pent-up demand for credit and banking services of all types.

One of the most interesting aspects of Interbank, however, is its vision of creating a financial supermarket that will offer not only traditional banking services, but also insurance sales, foreign currency transactions, buying business portfolios, issuing credit cards, etc.

There are some legal limitations on this objective, however. "Our objective has not changed; we will wait until a few wrinkles have been ironed out so that we can develop our vision of a financial supermarket," stated Arguello.

Despite the inflationary tensions, the dangers of devaluation, and the drop in the prices of some key exports, Interbank is jumping into the fray of the banking market.

"We are aware of those problems, but we are convinced that we Nicaraguans will be able to overcome them. We have faith in Nicaraguans," emphasized Dr. Arguello. Some financial experts had predicted that it would be difficult for private banks to reach the break-even point anytime soon. Beyond juggling the books, several private banks have proven that it is even possible to generate profits.

The banks' great advantage is that they have connections or partnerships with groups of businesses that are both shareholders and customers. Defense is permitted, and the most important thing, in any case, is to improve.

* 'Christian Workers Front' Organized

92CA0225A Managua LA PRENSA in Spanish 9 Sep 92 p 4

[Text] A new workers front of a Christian persuasion has emerged to "fight for the establishment of a real system of social justice that will benefit primarily the lowest sectors of Nicaraguan society in the rural and urban areas."

The United Christian Workers Front (FUTC), established at an assembly last Sunday, claims that it will strive to eradicate violence, vandalism, and riots as methods of struggle, so as to become adapted to the law, to negotiated demands, and to a society in which the civilian area always takes precedence over the military area.

Nearly 100 leaders of trade unions, cooperatives, and self-management associations, and even unemployed persons, elected a committee consisting of Oscar Hernandez Montoya, as coordinator; Santos Amador Mairena, as secretary of organization; Donald Castillo Orozco, as secretary of training; Jorge Davila Contreras, as secretary of finance; and Pablo Mairena Amador, as secretary of relations.

Crisis

The Christian workers admit that Nicaragua is undergoing a severe crisis, resulting from the "disruptive activity of labor, social, and political leadership sectors opposed to the present democratic government." It is compounded by the "heavy burden of political misconduct, corruption, and dictatorship of the previous government."

They claim that all this has resulted in instability, and even the existence of a polarized society and a partisan arming that is obstructing the peace plans promoted by the Central American presidents.

They also deplored the fact that the democratic workers' leadership sectors, including the Christian Democratic family, and other political sectors, are showing marked divisions in their leadership, which confuse the working class.

Alternatives

The new Christian union front, the FUTC, claims that, in its struggle, it will propose to the government "alternatives for the generation of employment with job stability and a decent wage, as well as a right to decent housing, and to efficient public services."

They maintain that they will devise a strategy including all sectors of Nicaraguan society, giving priority to the weakest and largest sectors.

The FUTC members, in concluding the public declaration of the front's founding, advocate that Christian workers should be participants in the demands for national concerted action.

Panama

Lawyers' Arrest by U.S. Soldiers Rejected

PA0210024092 Panama City LA ESTRELLA DE PANAMA in Spanish 1 Oct 92 p A1

[Report by Euclides Corro]

[Text] Whereas Deputy Foreign Minister Jose Mulino stated the U.S. military presence "is a fact we must accept, whether we like it or not," the National Bar Association [CNA] and the Supreme Court of Justice on 30 September strongly criticized the arrest of two Panamanian lawyers by U.S. soldiers on 29 September.

Lawyers Roberto Montanez and Jose Bal were involved in activities connected to their work when they were arrested and handcuffed over an alleged traffic violation by Southern Command soldiers near the Supreme Court building.

Chief Justice Carlos Lucas Lopez asked the Foreign Ministry to convey to the United States, through diplomatic channels, "its strongest protest for the abusive action that was committed" against these lawyers.

Lopez added that in the Court's opinion, "the violent action that was carried out against the two (lawyers) bears no relation to the nature of the offense they could have committed."

CNA reaction was more virulent, as it condemned "the submissive attitude of the executive branch in the face of the constant abuses against our sovereign dignity." The group added "this incident all but confirms that no matter what is said, this country is militarized, and the government does not reject that militaristic attitude."

CNA President Alberto Alvarez used this opportunity to criticize "the constant meddling by the United States in our country's internal affairs with its comments on the 'virtues' of the purported constitutional amendments."

Deputy Foreign Minister Mulino declined to comment until he analyzed the Court's statement. He also noted he is waiting to get the report he requested from Luis Eduardo Guizado, executive director of the Panama Treaty Affairs Executive Directorate. Mulino added "these situations are of concern, but we must also understand something, whether we like it or not, we have in our country areas of U.S. military coordination governed by the rules of that country." He stated "that is a fact we must accept and live with until 2000."

Limited Participation in Transportation Strike

PA0110021392 Panama City Circuito RPC Television in Spanish 2300 GMT 30 Sep 92

[Text] On 30 September public transportation union leaders called a strike to demand that the government not eliminate transportation and fuel subsidies. The union leaders' order to stop work was not obeyed by all union members, most of whom continued their services.

A tour by our news team in the capital and reports from our correspondents throughout the country allow us to report the strike was partially successful. The stoppage was mostly implemented at the Panama City, Colon, and Bocas del Toro bus depots, but service was not wholly paralyzed.

While the situation in the capital tended to return to normal this afternoon, public transportation workers in areas west of the capital—Arraijan, La Chorrera, Capira—and other rural areas failed to heed the labor union leaders' orders.

Leaders of the National Federation of Taxi Drivers and the Union of Public Transportation Drivers said the strike had achieved its goals.

Argentina

Pinochet Departs for Home, Makes No Statement

PY0110155592 Buenos Aires TELAM in Spanish 1318 GMT 1 Oct 92

[Text] Buenos Aires, 1 Oct (TELAM)—General Augusto Pinochet Ugarte departed for Santiago at 1215 local time [1515 GMT] on board a regular American Airlines flight. Gen. Pinochet left without making any statements.

Division General Mario Cadido Diaz, Argentine Army deputy chief of staff, and a small group of Chilean women said farewell to Pinochet at Ezeiza International Airport.

* Effects of Cavallo's Economic Plan Discussed

92SM0611D Buenos Aires CLARIN in Spanish 4 Sep 92 pp 18-19

[Text] A 1.5 percent rise in the cost of living does not seem like much. But it adds up when measuring the jump in retail prices since the dollar was raised in April 1991; with the August increase, it is 38.2 percent.

A consumer price index (CPI) that has grown like this also shows how much wages have declined. They are now slated to rise only if productivity increases. Some surveys show that the purchasing power of the median industrial wage has dropped by 7.5 percent since the introduction of convertibility.

Lower income groups are obviously the ones being hurt the most. This can be seen by looking at price trends of basic items in the family market basket, especially foods: barely five items show declines, the others show very strong increases since January 1992 (bread, a basic foodstuff, rose 37.5 percent; tomatoes soared by 114 percent, and flour was up 54.9 percent).

Still, Secretary Juan Schiaretti considers what is happening with private services the most important factor: "This month their share in the cost of living rise was 0.8 percent; another 0.4 percent came from the statistical lag; 0.2 percent from fresh food price increases; and 0.1 percent from all other goods." He says that if this is viewed from the angle of the distribution of wealth, "it quickly becomes clear that there is a transfer of resources toward services, but here the question is, who are the people consuming these services? The answer: people from the upper middle class."

While there has been a decline in purchasing power, salaries are paradoxically high if measured in dollars. And that creates a complication for businesses whose prices are pegged to foreign competition. Specifically, the presence of imported goods explains why in August wholesale prices [only] rose 0.3 percent; since April of last year, the wholesale price index has had an almost perfect performance when considered from the government's viewpoint: during those 17 months wholesale prices rose 7.5 percent.

According to the Ministry of the Economy, this is the disturbing factor. For while the increase in the cost of living is low, month by month it adds its tiny grain of sand, and that does have an impact: it means that wage and salary disputes may become more heated. "If you look at this from the viewpoint of industrial competitiveness, the critical point may obviously be the tendency toward demands to index wages," said Schiaretti. So, in the government, "we are insisting that salaries must rise only in response to productivity gains, and not be based on the cost of living."

There is a second consequence: imports have become a key factor in promoting stability, for they keep industrial prices flat and prevent inflation from taking off. So in this model, a quite open economy—no matter how much people may complain—remains fixed in economic plans.

The conclusion is obvious: let prices that are not tied to imports go up, and keep those which feel the weight of foreign competition practically immobilized.

Numbers

Among wholesale prices, agricultural and meat products were the pacesetters in August, with a 2.2 percent increase. Nonagricultural prices, though, showed zero growth.

Among industrial prices, foods were down 0.6 percent and paper and its byproducts 0.1 percent. Rising, though very slightly, were textiles and clothing (0.5 percent); wood and wood products (0.2 percent); nonmetallic ores (0.7 percent); and basic metal industrial goods (0.2 percent).

The behavior of agricultural products varied greatly. Agricultural produce was up the most (6.3 percent); however, meat products declined (0.4 percent), as did fish (15.8 percent).

Strangely, among imported goods there was one item whose prices rose: agricultural products (up 7 percent). Among imported manufactured goods, the categories showing the strongest price increase were woods (1.9 percent) and basic metal products (0.5 percent).

Construction costs, generally speaking, were up 1.2 percent in August in relation to July. But the significant point is that this increase was caused by materials (1.6 percent) and overhead (1 percent). Labor costs did not rise.

17 Months of the Cavallo Plan

Indices	Percentage
Cost of Living	38.16
Wholesale Prices	7.45
Construction	26.44
Dollar (average)	4.44
Housing Costs	**Percentage**
Rent	86.20

17 Months of the Cavallo Plan (Continued)

Indices	Percentage
Services (includes gas and electricity)	33.42
Cleaning products	17.17
Household repairs	59.25
Recreation	**Percentage**
Games and Toys	8.44
Books, Newspapers, and Magazines	18.84
Travel and Tourism	50.34
Audio and video	11.71
Entertainment	59.87
Clothing	**Percentage**
Underwear	17.65
Outer garments	12.31
Shoes, boots	12.81
Transportation and Communications	**Percentage**
Transportation	13.04
Repairs	13.15
Communications	30.08
Food and Beverages	**Percentage**
Meats	62.51
Fruits	43.32
Dairy Products and Eggs	45.27
Vegetables	90.67
Alcoholic Beverages	31.60
Carbonated Beverages	32.65
Health and Education	**Percentage**
Medications	11.84
Health-Related Services	64.10
Schools	45.08
Textbooks	8.99
Other Categories	**Percentage**
Tobacco	25.80
Hygiene	14.75
Hair Care	74.56

Source: INDEC [National Institute of Statistics and Census].

Including the August increase, the cost of living has risen 38.2 percent since the start of convertibility. That percentage disturbs economic officials, who fear increased pressures to raise salaries to compensate for lost purchasing power. Wholesale prices, though, have risen only 7.5 percent since April 1991.

* CGT To Create Investment, Growth Council

92SM0611A Buenos Aires CLARIN in Spanish 4 Sep 92 p 9

[Text] "Boys, starting today there will be a new phase in relations between the government and the workers' movement." With that optimistic forecast, President Carlos Menem yesterday accepted a proposal from the CGT [General Confederation of Labor] leadership to set up a Council on Production, Investment, and Growth, which will operate under the Ministry of the Economy. It will be composed of government officials, union representatives, and businessmen.

While the official "yes" to the CGT proposal—which the union representatives have renamed a Coalition Council, though the Ministry of the Economy still considers it to have the purpose and functions for which it was created—was given yesterday at the Olivos presidential residence, the government's acceptance began to take shape a day earlier in meetings between the president and Minister of the Economy Domingo Cavallo with labor federation representatives.

"The president agreed that, with stability ensured, this is the right time to talk about investment, production, and growth with social justice and equity in income distribution," the alternate head of the CGT, Oscar Lescano, said after after emerging from the meeting. He was almost reciting from memory the central lines of the document the union representatives had presented to Menem.

The untitled CGT draft proposal notes that "the reconversion of capitalism has enormously increased production capacities, but it has not managed to solve some serious social problems, like the fact that countries with the greatest economic development have millions of unemployed people."

Accompanied by the ministers of the economy, labor, and public health and social action, Domingo Cavallo, Rodolfo Diaz, and Julio Cesar Araoz, and the secretary general of the presidency, Eduardo Bauza, the chief of state met for an hour and a half with five labor federation leaders: Oscar Lescano (light and power); Jose Pedraza (railway workers); Jose Rodriguez (SMATA [Trade Union of Mechanics and Related Automotive Transportation Workers]); Ramon Baldassini (telecommunications and postal workers); and the metalworkers representative, Naldo Brunelli, replacing the ousted Anibal Martinez.

The preamble from Olivos was begun at the luncheon meeting the president had two days ago with Gerardo Martinez (UO-CRA [Workers Union-Argentine Rural Confederations]) and Andres Rodriguez (UPCN [National Civil Service Personnel Union]), then continued in the evening at a meeting between Cavallo with Lescano, Armando Cavalieri (commerce), and Carlos West Ocampo (sanitation workers). With some variation in tone, the government representatives said the CGT had a tendency to be overly confrontational, while the union representatives accused the government of "lacking a policy on the union movement."

With the way to the summit paved, the CGT men did not conceal from Menem their intention to take part in

"generating policy with outlines for execution in a coalition-style arrangement." After revealing that purpose, the union people again spoke of the question they had raised several days earlier. "You were never outside the government's programs, but now we have to start a new phase," the president answered them.

Between coffee and cookies that were ignored, Lescano raised his musical voice to speak of "the need to cool down conflicts in the streets; if we do not call for a strike, the people will do it on their own," theorized Lescano, while Menem drew attention to a report containing statistics on inflation and imports which Brunelli then spread out on the table.

* Officials Discuss Bilateral Trade With Brazil

92SM0611B Buenos Aires CLARIN in Spanish 5 Sep 92 p 22

[Report by Eleonora Gosman]

[Text] They arrived at Itamaraty, Brazil's Foreign Ministry, on Wednesday at 0900 and did not leave until late—they almost missed their flight back to Buenos Aires. The Argentine mission to Brasilia was no secret, but it was sensitive. One urgent issue was on the agenda: the deficit in the balance of trade: all together, the red ink amounts to $600 million.

The Argentine diplomats, Alieto Guadagni, Jesus Sabra, Guillermo Hunt, and Carlos Kesman, were pleased with the meeting with their Brazilian counterparts. Especially since in the middle of the meeting the U.S. announcement of wheat sales at "subsidized prices" was dropped like a bombshell. Itamaraty's reaction came quickly: "Do not worry, we are not going to buy it."

But that was really an unexpected bonus for the negotiators on both sides. The topics on the agenda dealt with bilateral trade. Considered in order of importance, one of the first questions the Argentines raised at the table was the issue of lack of compensation for automobile sales; some vehicles enter and some leave, paying zero tariffs.

Last year Brazil had a 10,000-car advantage over Argentina. As the difference must be returned to zero every year, domestic outlets ran the risk of losing sales of a comparable number of units in the Brazilian market. So the Foreign Ministry representatives negotiated an extension until the end of the year. That will give companies in Argentina time to make up their quota (more now since internal demand has risen). And it will also diminish the trade deficit in automobile sales, which this year is $270 million.

The Argentine mission discussed another hot topic in mutual relations. "They always insist that the origination clause be applied strictly to keep products from other parts of the world from coming into Brazil disguised as Argentine products. This time, we took the offensive: we told them that we are going to implement the safeguards clause every time we detect a sudden eruption of Brazilian merchandise hurting our industry," commented one of the negotiators.

Four new cases have now been added to the Argentine claims filed for last year. The Asuncion Treaty stipulates that if no agreement is reached after 30 days of bilateral consultations, each country is free to make a decision. This means placing a quota on merchandise entering with the tariff reductions agreed upon by the Mercosur [Common Market of the South] partners (61 percent). Above that quota, goods pay standard rates.

The Itamaraty negotiators held one strong card in the negotations with their Argentine colleagues: the decision by Brazil's Minister of the Economy Marcilio Marques Moreira to speed up his trade liberalization program. He had planned to put it in practice next year, but it will now take effect on 1 October.

A source consulted by CLARIN quantified its impact for Argentina. "This will have a great impact, as it will substantially improve the profile of our business dealings in Brazil. It means that within a month Brazil's protection for its products that was set at 50 percent will drop to 30 percent, and rates that had been 40 percent will decline to 20 percent. There is also the 61 percent Mercosur preferential treatment, so our goods will pay lower tariffs to cross the Brazilian border."

With the discussions came some agreements and promises:

Brazil will exempt Argentine petroleum sales from paying a 19 percent tariff. This is a definite boost for the prospects of Argentine companies that are planning to sell over $100 million worth of crude to Petrobras [Brazilian Petroleum Corporation].

The Itamaraty diplomats agreed to "facilitate" the business dealings of Argentine private companies that are on the point of arranging exports to Brazil. Two cases were mentioned: a consortium planning to build turnkey hospitals, and a company that will provide electrical equipment and turbines for the Miranda dam.

They also agreed to expand the quantity of Argentine products that may enter Brazil at a zero tariff rate.

* Effects of Convertibility on Economy Viewed

92SM0611C Buenos Aires CLARIN in Spanish 6 Sep 92 p 4

[Article by I.B.]

[Text] Industrial production now stands at the peak levels it reached under the austral plan. However, there are significant differences in the rate, dynamics, and sectors leading the surge in production.

The months that preceded the austral plan, like the period before the convertibility plan, were highly recessionary. With price stabilization, both plans promoted an increase in domestic production which, with ups and

downs, under the austral was maintained for two years, from June 1985 until July 1987, and which still persisted during 17 months of the convertibility plan.

However, major differences can be seen in the sectors leading production. Under the austral plan, there were substantial increases in the so-called basic industries, like steel, paper and cellulose, cement, and in durable consumer goods like cars and household appliances, and textiles. Convertibility has brought greater expansion in the areas of durable consumer goods, but there have been declines in steel, agricultural chemicals, paper and cellulose, supplies and materials, and capital goods.

These differences are partly due to the differing international context. Under the austral there was a downturn in exports, which sagged from $8.4 billion in 1983 to only $6.3 billion in 1987. That was due essentially to a decline in foreign sales of raw materials. Now, however, there is again a slight downturn in exports, but with a more pronounced decline in industrial manufactured goods. The "economic liberalization" is another factor, as it has expanded the supply of foreign goods available in the domestic market. While imports in 1987 came to about $5.9 billion, this year they are expected to reach $12 billion.

Another major difference is concentrated in what are called supplies and materials, and capital goods. In the two years of the austral plan, this sector grew by 60 percent, while it has remained unchanged so far in 1992 in relation to the 1990 average. This can also be explained by the "economic liberalization" which has expanded the supply of foreign products available. The present surge in equipment sales is based on an increased use of foreign capital goods. There has also been a change in petroleum, which declined under the austral, but which has become much more important with convertibility.

The possibility that "convertibility" might definitely reach the peak production levels of 5 years ago depends basically on whether or not investments are made to expand plant capacity. Some areas are already operating at peak capacity, like automobiles and nonelectric household goods. These investments are limited by two factors: the lack of credit available to industry and a certain saturation of domestic demand after the "catchup period" in family consumer spending.

Finally, the Mercosur [Common Market of the South] is another factor affecting the two plans. Our principal trading partner in the region [Brazil] is now in a recession, with an advantageous exchange rate. This has hurt Argentine exports, while imports from that country are expanding. Moreover, the industrial complementation program poses a threat to Argentine's capital goods industry (especially for harvesters and farm machinery); paper and cellulose—an industry heavily promoted with credits in Brazil; steel—Brazil has raw materials and a production capacity that is five times superior to Argentina's; and some categories of textiles and standard footwear.

* Estimated 141,000 Civil Servants Dismissed

92SM0611E Buenos Aires CLARIN in Spanish 6 Sep 92 pp 6-7

[Interview with Alberto Abad, head of the General Trusteeship of State Enterprises, by Liliana Franco; place and date not given; first paragraph is CLARIN introduction]

[Text] The state reform has profoundly transformed the auditing agencies for the public sector's administrative and productive system. Alberto Abad, the head of SIGEP [General Trusteeship of State Enterprises] speaks of his organization's future role, of changes in budget philosophy, and of oversight responsibilities for the enterprises that are to be privatized. It is estimated that 141,000 government employees will be laid off in this process.

[Franco] Historically, SIGEP's function has been to examine all public enterprises, but at the present time a large part of them are already in private hands or are in the process of being transferred. So what are SIGEP's responsibilities now?

[Abad] SIGEP still continues to examine these enterprises, and it now has an additional task, as the Trusteeship has to make recommendations and comments about the privatization processes. The focus of its responsibilities has shifted from monitoring business management to include the examination and review of the privatizations.

[Franco] But once they have been privatized, will SIGEP have any further responsibilities for these enterprises?

[Abad] SIGEP will contine to audit the enterprises operating with licensing arrangements, like the railroads.

[Franco] Which enterprises now use licensing arrangements and which have been privatized?

[Abad] The privatized enterprises are Aerolineas Argentinas, Tandanor [North Basin Shipyards], and ENTel [National Telecommunications Enterprise]. While they are operating under licenses, their assets have been transferred to private hands. Typical examples of licensing arrangements are the railroads, San Martin, Mitre, Roca, Belgrano, and the grain enterprises, which have been licensed for a specific number of years. After that period is over, the state can take back the responsibility for providing the service itself, or it can again award it under a new license. Sanitation Services is another case. And SEGBA [Greater Buenos Aires Electrical Services] is similar to ENTel.

[Franco] On more than one occasion President Menem has said that by the end of this year there will be practically no public enterprises left in the state. Who is going to audit the private enterprises?

[Abad] The regulatory agencies. These organizations will monitor the provision of services and the contracts.

What we will have to examine are the residual enterprises, like ENTel, Aerolineas, etc.

[Franco] Who will audit the regulatory organizations?

[Abad] The new financial administration law states that new control organizations will be created. There are plans to examine the regulation agencies, and they will be subject to review by the General Auditing Office of the Nation and to internal control by the General Trusteeship of the Nation.

[Franco] Would SIGEP then be responsible for examining the regulatory organizations?

[Abad] Yes, and we will also audit the Central Administration; that is, the ministries and decentralized organizations.

[Franco] But SIGEP has always done its work "after the fact"; will it continue to operate that way?

[Abad] Well, in reality SIGEP acted in a concurrent manner with the enterprises, for if this review is purely and exclusively "after the fact," there is no possibility of preventive action. The enterprises were examined with the idea of being able to modify some of their behaviors to make them more effective and efficient. The idea is to adopt this method, which was used to audit public enterprises, for use with the Central Administration.

[Franco] SIGEP's reports on public enterprises analyzed a number of aspects; investments, profits, management control, etc. How will you do this with the ministries? A public enterprise is not the same as a government agency.

[Abad] The parameters to be promoted are effectiveness and efficiency.

[Franco] But what criteria will you use to measure efficiency?

[Abad] The Financial Administrations Law also changes the budget philosophy. The budget will not be an aggregate of items; now it is going to be the quantification of an action plan. When a ministry is awarded a specific budget, that means it will be given financing to carry out a government policy to be implemented through a set of programs. We will continue to review this, to see if what is spent is in line with the program and if the cost is reasonable.

[Franco] Will you also analyze the performance of government officials?

[Abad] We will evaluate management. The Financial Administration Law not only considers national experiences but international experiences as well. On a daily basis, managing our resources is a key issue, and we can not speak of resource management if we do not maintain effective management control.

Comparable Prices

[Franco] It has always been said that the state buys "shoddy goods for high prices." How will you deal with that problem?

[Abad] SIGEP has been applying the comparable price system in public enterprises, and it will obviously continue to use that method for areas involving the state.

[Franco] But have you gotten good results?

[Abad] In many public enterperise we have obtained substantial price reductions. For example, we have often improved bids whose price was the result of a bid "design" that did not allow the participation of other bidders. We have also modified the system in terms of quantities to be purchased, a factor that also affected the bidders. The comparable price system has cut purchasing costs in public enterprises by up to 30 percent.

[Franco] The people have the impression that with the privatizations things have now been "turned over to private enterprise." In fact, at the present time they see no improvement in services, while the disadvantages still remain. And they also feel that they have nowhere to turn to resolve their problems. Is that so?

[Abad] The regulatory agencies are the ones with immediate control. It is true that the changes have been so rapid that at times it may have produced a sort of arrhythmia, but now, for example in the case of privatizations like Sanitation Service or State Gas, the creation of regulatory organizations is going along in tandem with the rate of privatization. So once the enterprise has been privatized, they will be working as they should.

[Franco] What is the function of these organizations in terms of the consumer?

[Abad] They are to protect the consumer, monitor rates, protect the environment, and make sure that all the quality goals established in the contract are being met.

[Franco] Who will make sure there is no connivance between the regulatory organization and the privatized companies, and how will it be done?

[Abad] This issue is being discussed all over the world, for there are cases in which regulatory organizations have been taken over by the service providers. In our case, we are selecting people who meet very important criteria in order to ensure their indpendent judgment.

[Franco] What are these requirements?

[Abad] Technical expertise, professional capability, and probity in exercising their duties. Control will also be exercised through the SIGENAC [expansion not given] and the Legislative Branch examiners.

[Franco] What was the status of our public enterprises a year ago, and what is it now?

[Abad] Traditionally, our public enterprises employed about 280,000 to 290,000 people. So far, throughout the whole privatization process, including the ministries, 117,000 people have been moved over into privatized activity. In the process that is now under way it is estimated that about 141,000 will be terminated. Practically very few people will be left working for the state.

[Franco] What were the public enterprises' financing requirements?

[Abad] In December 1989 their requirements were estimated at $7.5 billion; that has now been substantially reduced.

[Franco] How much is the conversion to privatization estimated to cost?

[Abad] The investments now being made and to be made as a result of these privatization processes are on the order of $18 billion.

Bolivia

Congress Approves Rescue Operation by U.S.

PY0110153992 Madrid EFE in Spanish 0023 GMT 1 Oct 92

[Text] La Paz, 30 Sep (EFE)—The Bolivian Congress today authorized three U.S. military planes to overfly Bolivian territory in a rescue operation for the FAB-017 small plane that was lost 20 days ago.

President Jaime Paz Zamora's administration had the congressmen authorize "with urgency and for humanitarian reasons" the three 24-person military planes to search for the plane lost in the jungle.

The U.S. crews joined 14 Brazilians experts who arrived 25 September in an "Embrael Bandeirante" plane. This plane has metal-detecting equipment, and its crew is made up of rescue operations experts.

The Bolivian Air Force Piper plane was declared in state of emergency on 10 September, when pilot David Encinas reported to the control tower that he was unable to land at the airport because of bad weather.

The plane took off on 10 September from the Amazon town of Robore, near Puerto Suarez on the Brazilian border. The plane carried six passengers, including Armed Forces Division General Freddy Carazas, Rear Admiral Waldo Vasquez, Lieutenant Henry Siqueiros, and two civilians.

The U.S. planes from a Panama military base were authorized to enter the country after Congress' approval.

In July, Paz Zamora's administration was criticized because 124 U.S. soldiers were authorized to conduct the civic action exercise known as "Fuertes Caminos 92" in Santa Ana township without Congress' authorization.

Government sources reported that all the U.S. soldiers who entered the country without Congress' authorization will leave the country.

Brazil

Senate Approves Request for Impeachment

PY0110165792 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 1 Oct 92

[Text] A Senate plenary session, attended by 56 senators, unanimously approved the request for impeachment a short time ago. Supreme Federal Court President Sydney Sanches now is presiding over the Senate's Executive Board. The session is studying the notification that will be sent to President Collor informing him of his removal. The session also is considering the possibility of notifying the president today. Several senators have asked Senate President Mauro Benevides to deliver the notification earlier.

Itamar Franco To Assume Presidency 2 Oct

PY0110184092 Madrid EFE in Spanish 1809 GMT 1 Oct 92

[Text] Brasilia, 1 Oct (EFE)—Itamar Franco, the new acting president of Brazil, will assume the Presidency tomorrow, Thursday [as received], replacing "dismissed" chief of state Fernando Collor.

Franco's takeover was decided on this afternoon after a group of lawmakers protested a decision by Senate President Mauro Benevides to hold the government transfer ceremony on 5 October. Franco, who is 63, did not oppose assuming the reins 5 October.

Mauro Benevides and Federal Supreme Court Chairman Sydney Sanches summoned Franco to Benevides' office, where they have just made the decision.

Collor will be notified tomorrow that he will have to leave his office on the third floor of Planalto Palace to make way for his successor as of 1000 local time [1300 GMT] tomorrow, Friday.

Senate To Notify Collor of Impeachment Trial

PY0110185392 Rio de Janeiro Rede Globo Television in Portuguese 1825 GMT 1 Oct 92

[Report from Brasilia by Alexandre Garcia—live]

[Text] Your attention, please. It was confirmed a few minutes ago that at 1000 local time [1300 GMT] tomorrow the Senate will formally notify the president of the nation that he is on trial in the Senate. This means that the president must step down immediately and that Vice President Itamar Franco will take over.

Collor Resignation Still Under Consideration

PY0210033892 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 1 Oct 92

[Text] President Fernando Collor's temporary suspension from office does not preclude the possibility of negotiating his final resignation. Journalist Alexandre Garcia will now give us the details of these negotiations.

[Begin recording] [Garcia] Shortly before leaving for Ceara, Senate President Mauro Benevides told me that he is returning to Brasilia on Sunday, because of the possibility that President Collor might resign. In fact, I have confirmed with people who talked to Justice Minister Celio Borja and Deputy Ricardo Fiuza that these two officials are acting as go-betweens for a proposal by the president to effect a negotiated resignation. Collor could submit his resignation on Sunday after the municipal elections.

Collor's resignation would automatically put an end to the impeachment process on malfeasance in office at the federal Senate, as the impeachment process is designed to remove the president from office. If the president took the initiative of resigning, then the impeachment process would be unnecessary.

There is also a process for common crimes which, after going through the federal police and the Attorney General's Office, is currently at the Federal Supreme Court. Although no formal charges have yet been made in this process, it will require negotiations with the Attorney General's Office and the Supreme Court and, above all, it will require that an amnesty law be passed by Congress. I am going to ask Deputy Ibsen Pinheiro, president of the Chamber of Deputies, to comment on this idea.

[Pinheiro] Alexandre, I doubt that anyone could imagine such a proposal, which would negate all the rallies against impunity. It would also entail a negation of the historic decision made by the plenum of the Chamber of Deputies. Such a proposal is not feasible here. [end recording]

Dias Denies 'Negotiated' Resignation

PY0210034892 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 1 Oct 92

[Interview with Presidential Spokesman Etevaldo Dias by correspondent Miriam Dutra in Brasilia—live]

[Text] [Dutra] Will you comment on remarks by the president of the Chamber of Deputies that a negotiated resignation would not be feasible? Does President Collor want a negotiated resignation?
[Dias] I talked with President Collor fewer than 20 minutes ago. He said that a negotiated resignation is pointless. He is not thinking of resigning, whether it is negotiated or not.

[Dutra] Will he receive the Senate's formal notification in person?

[Dias] Along with all of the ministers, the president will receive tomorrow, democratically, the Senate's notification.

[Dutra] Are all of the ministers out, the military ministers included?

[Dias] All ministers have already been dismissed.

[Dutra] Is the president going to do anything?

[Dias] No. He is retiring to the Casa da Dinda. He said today that there, quote, I will be alone with my suffering and will wait patiently and discreetly for the truth to prevail, unquote.

[Dutra] Thank you.

Collor's Farewell Letter to Brazilian People

PY0210143792 Sao Paulo Rede Bandeirantes Television in Portuguese 1356 GMT 2 Oct 92

[Letter to the Brazilian people from President Fernando Collor; read by unidentified correspondent in Planalto Palace—live]

[Text] In transmitting the exercise of the Presidency of the Republic to Vice President Itamar Franco in compliance with a sovereign decision, I wish to express my deep gratitude to the nation, my direct and indirect aides, the working and producing class, and to all the political groups, even the opposition, for their constant presence in the development process of Brazil. I assure you all that at no moment did I tarnish the dignity of my post nor did I abandon the mission of transforming our country into an example of modernity and social commitment.

I also stress that the investigations that led to the constitutional decision, now complied with, were personally determined by myself, be it in the field of the Ministries of Justice, Economy, or any other, with the intention that the investigative organizations of the legislative and judicial branches and the Attorney General's Office would not be deprived of any information.

I hereby pass the leadership of government to my legal substitute in keeping with the Constitution with a clean conscience and soul, with no hurt feelings afflicting my spirit, but with the total conviction that I have not lost the affection of the Brazilian people and that they will trust me better when they learn the truth that will come from those who will judge the political situation of which I am the center.

I finally hope that the kindness and justice of God will continue to guide the democratic spirit of this country, increasingly turning public life more open, fair, and worthy of being exercised by those who love Brazil, and I pray for its victorious destiny.

[Signed] President Fernando Collor
[Dated] 2 October, Planalto Palace

Collor's Episodes of Depression Reported

PY0210132092 Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Sep 92 Section 1, p 11

[Article by Josias de Souza and Gilberto Dimenstein]

[Excerpt] Fernando Collor suffered several depression crises during the two and a half years he was president of the Republic. He even was assisted once in the Casa da Dinda [Collor's private residence in Brasilia] by Military Household Chief General Agenor Homem de Carvalho, who described Collor's illness as manic-depressive psychosis [psicose maniaco-depresiva]. This secret, zealously kept by the military ministers, is part of the behind-the- scenes history still not known about the Collor administration.

Agenor once confided to Army Minister General Carlos Tinoco that on some occasions, the president's depression was so deep that he has had to give Collor some medicine by mouth. One of the medicines Agenor gave Collor is called Anafranil, sold by prescription.

This prescription states: "Anafranil is a fast relief antidepressive medicine with a high degree of reliability and therapeutic efficiency. It acts in general on the depressive syndrome, especially on psychomotor inhibitions, depressed feelings, and existential anguish." The list of indications in the prescription links this kind of depression to, among others, "those associated with schizophrenia and personality disturbances."

Collor suffered his greatest depression crisis about six months ago, at the end of February and the beginning of March. During that stage the president remained in his house for two mornings and one whole day, canceling his appointments at Planalto Palace. It was officially reported that Collor remained at home to analyze some documents and that he gave orders by telephone and fax machine. On at least one of those days, Agenor remained in Casa da Dinda assisting the president. He stayed for hours trying to comfort the president. [passage omitted]

Franco Denies Pressure Over Cabinet Choices

PY0110173792 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 1 Oct 92

[Text] Vice President Itamar Franco has said that he will not tolerate any pressure while forming a new cabinet.

Franco began to hold political meetings early this morning. He met in his house with Senator Alexandre Costa, who is considered a candidate for the Transport Ministry. Franco left for his office at 0930.

As soon as he arrived at his office, Franco met with PMDB [Brazilian Democratic Movement Party] Senate leader Humberto Lucena and Jose Aparecido, former governor and former culture minister, who said he was not invited to join the cabinet. Incidentally, this was said by all potential ministerial candidates who came to Franco's Planalto Palace office.

[Being Aparecido recording] I was not invited at all, not even to suggest names. [end recording]

In his conversation with journalists, Franco today declined to give any information. He even said he had no confirmed ministers, in order to avoid speculation. But when a reporter asked him whether he might be under pressure to assign political posts, he said:

[Begin Franco recording] It is the president who will name the cabinet. We do not tolerate and I am sure that no party will adopt such a position. Whoever said that he will pressure me totake this post or the other is quite wrong. [end recording]

Names of New Ministers Announced

PY0110175392 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 1 Oct 92

[Text] Here are the ministers who already have been confirmed to participate in Itamar Franco's government:

Professor and sociologist Fernando Henrique Cardoso, PSDB [Brazilian Social Democracy Party] senator for Sao Paulo and PSDB Senate leader, will be the new foreign minister.

The PDT [Democratic Labor Party] senator for the Federal District, Mauricio Correa, will be the new justice minister. He is a lawyer, was born in the interior of Minas Gerias and has lived in Brasilia since the 1960's.

Professor and consultant Paulo Haddad was named the new planning minister. Haddad, 53, was born in Minas Gerais and has a degree in economics.

Rio Grande do Sul Senator Pedro Simon will be the political coordinator of the new government. He is 61, a lawyer, and a former minister of agriculture during the Sarney government.

Federal Deputy Jamil Haddad will be the new health minister. He is 65, was born in Rio de Janeiro, and is the national president of the PSB [Brazilian Socialist Party].

Henrique Hargreaves, born in Juiz de Fora, will be chief of the Civilian Household of the Presidency. He is 56 and was chief of the Civilian Household for Congressional Affairs during the Sarney government.

Wants 'No Corrupt Individuals'

PY0210141292 Rio de Janeiro Rede Globo Television in Portuguese 1339 GMT 2 Oct 92

[Statement by interim President Itamar Franco at Planalto Palace in Brasilia after his installation—live]

[Text] I am just going to say a couple of words because.... [pauses] I am going to move nearer to talk.

At this difficult time in the country, we pray that in assuming the Presidency of the republic, we receive from God kindness, wisdom, and humility. I want to point out that the democratic normalcy we are experiencing makes

it possible for the vice president of the Republic to assume the Presidency due to the president's impeachment. This shows the country and the entire world that the Brazilian people want to live democratically, and that the Brazilian people not only yearn for democratic liberty but also that all Brazilian citizens have access to culture and civilization.

With this understanding, I pray to God that we may give the country an honest government.

The CPI [Congressional Investigating Committee] has designed a moral map that is not applicable to us because my life and that of those who will accompany me is clean. The country may rest assured that there will be no corrupt individuals in this government.

New Minister Rules Out Drastic Economic Moves

PY0210030492 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 1 Oct 92

[Report by correspondent Cristina Indio do Brasil]

[Text] The Economy, Finance, and Planning Ministry will be divided during the government of Itamar Franco, who will create the Planning Secretariat. Professor Paulo Haddad, former finance secretary of Minas Gerais State under Governor Francelino Pereira, will be appointed planning minister.

Haddad said that if necessary, he could head the Economy and Finance Ministry until the new minister is appointed. The division of the ministry is imminent. Haddad has given assurances that there will be no shock treatment for the economy.

[Begin recording] [Haddad] There will be no dollarization of the economy; prices will not be regulated; and no funds deposited in savings accounts, funds, or in any activity on the financial market will be confiscated. There will be no price freeze, either.

[Unidentified correspondent] Will a bank holiday be necessary?

[Haddad] By no means. We are going to continue to implement and improve the current policy in a normal manner. [end recording]

Haddad has already submitted to Vice President Franco a three-page report on the main guidelines for the government for the next 90 days. Through this report, which will be disclosed tomorrow, the government will define its position on privatization, the opening up of the economy, and inflation.

Haddad said the government will seek the people's cooperation to promote a deceleration of the inflation rate, which is currently moving toward 25 percent monthly.

Named Acting Economy Minister

PY0210030692 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 1 Oct 92

[Excerpts] Central Bank President Francisco Gros will remain in his position, and economist Paulo Haddad will be acting economy minister. He asserted that there will be no price freeze during Franco's administration. The appointment of the new economy minister is the main focus of political negotiations for the new administration. [passage omitted]

While the name of the future economy minister has not yet been announced, the moves that he must not make have already been made clear. [passage omitted]

Military, Finance Under Discussion

PY0210123492 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 1 Oct 92

[By Alexandre Garcia from Brasilia]

[Text] Although the current administration's ministers will leave their positions tomorrow [2 October], the new ministers will not be installed tomorrow. The Civilian Household Chief designate, Henrique Hargreaves, has just confirmed that the new ministers will not be installed until 5 October, particularly because the appointment of some ministers is not certain. For example, the agriculture, welfare, labor, communications, and science and technology ministers have not been chosen yet.

The names of the new military ministers probably are being discussed right now. Aeronautics Minister Socrates Monteiro and Navy Minister Mario Cesar Flores are now with Vice President Itamar Franco. Army Minister General Carlos Tinoco also is expected. There is a possibility that these ministers may remain in their positions.

The name of the new consultant general has just been reported: He is Jose de Castro Ferreira, a Minas Gerais State lawyer from the city of Juiz de Fora, who has been a deputy and is Vice President Franco's friend.

The name of the new finance minister probably will be announced tonight. The name most often rumored in the hallways of Vice President Franco's office is that of Deputy Jose Serra, an economist of the Sao Paulo Brazilian Social Democracy Party.

Krause Confirmed Finance Minister

PY0210131092 Rio de Janeiro Rede Globo Television in Portuguese 1255 GMT 2 Oct 92

[Report from Brasilia—live]

[Text] Senators Mauricio Correa and Fernando Henrique Cardoso have just confirmed the name of the new finance minister: Deputy Gustavo Krause, of the Liberal Front Party from Pernambuco State.

Federal Police Charge Ex-Ministry Secretary

PY0210140192 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 2 Oct 92

[Text] Charges were filed against Eduardo Teixeira, a former Economy Ministry executive secretary, at a Federal Police inquest investigating irregularities in the privatization of Vasp [Sao Paulo Airline]. The charges were filed against Eduardo Teixeira based on the White Collar Law. He could receive a prison sentence of one to four years.

During his testimony before Federal Police in Sao Paulo yesterday, Eduardo Teixeira noted that Vasp's privatization was a good deal for the government. Teixeira also noted that the federal government was not involved in Vasp's privatization process and just settled a debt that had existed for many years.

Ex-Presidential Secretary Charged

PY0210141792 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 2 Oct 92

[Text] Charges were filed against former presidential private secretary Claudio Vieira. The charges involved are forgery of documents, corruption of a witness [corrupcao de testemunha], coercion of a witness [coacao de testemunha], illegal association, and passive corruption.

The charges were filed against Claudio Vieira after he testified before Federal Police in Brasilia. Vieira's testimony lasted seven hours. If he is sentenced for the five crimes, the former secretary could receive a 12-year prison term.

PMDB To Ignore New Franco Administration

PY0210130592 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 2 Oct 92

[Text] The PMDB [Brazilian Democratic Movement Party] will not participate in Itamar Franco's administration. No names will be suggested for the cabinet, and it is recommended that PMDB members invited to join the cabinet decline the posts. These decisions were officially announced by PMDB President Orestes Quercia after talking with Sao Paulo Governor Luiz Antonio Fleury and Para Governor Jader Barbalho.

But the PMDB will not stop supporting Itamar Franco's future administration. The only condition established by the PMDB to maintain its support is that the vice president must end the recessive economic policy.

Chile

National Bank of Cuba Pays Off 1972 Loan

PY0110154592 Santiago EL MERCURIO in Spanish 22 Sep 92 p B1

[Summary] The Central Bank of Chile issued a communique confirming that 58.7 million francs (about $46 million) were deposited 10 September in its current account at the Banque Suisse in Zurich. This amount equals 100 percent of the capital and interest owed by the National Bank of Cuba, BNC. This loan was made to Cuba in 1972 through the BNC's London branch. This payment was possible after intense legal proceedings carried out by the Central Bank since 1981.

* Economic Integration With Argentina Viewed

92SM0618A Santiago EL MERCURIO in Spanish 27 Aug 92 pp A1, A11

[Article by Mario Valle]

[Text] The history of Chile and Argentina is one of advances and retreats. But it seems that the sign of these times is economic integration and complementation, although the boundary issues are still pending.

The intensification of trade relations is a concrete and undeniable fact. Trade between the two nations came to $811 million in 1991, while for this year, according to the estimate of Walter Riesco, president of the Chilean chapter of the Binational Business Committee, the figure will exceed a billion dollars. This is mainly the result of the more open economic policy adopted here, and, more recently, in the neighboring nation.

With the current picture thus delineated, President Carlos Menem is arriving today to spend 24 hours in this country. His original purpose was to finalize the parliamentary ratification of the boundary treaty pertaining to the continental ice region. This proved impossible because the respective legislative commissions had not issued their opinions, the reason being the opposition which developed in various trans-Andean sectors. As a result, his crowded agenda, apart from the analysis of this matter, involves reviewing the agreement on complementary economic action signed by his colleague Patricio Aylwin on 2 August of last year.

Representatives of the national business sector plan to meet with the chief executive of Argentina to inform him of their opinions and concerns with regard to this process. But as of yesterday, it was not certain that such a meeting would be possible.

For the majority of the sectors involved, these agreements have proven positive, since they express the political will of both parties. However, the belief is that with or without the agreements, Chilean-Argentine complementation would have come about in any case.

However, these sectors admit that obstacles serving to slow the development of the desired process still exist. For this reason, it is necessary to act with caution. According to Ronald Bown, president of the Exporters' Association, the first stage involves complementation leading to true integration. "And because complementation is a major concept, this first stage requires analysis in depth, given the future consequences it entails." A number of Chilean businesses are developing business

arrangements with Argentina. But they specify that this action cannot be interpreted as having a cause-and-effect relationship with the agreements mentioned.

Gonzalo Garcia, secretary general of the Paper and Cardboard Manufacturing Company, maintains that "it is the Argentine economic process that has allowed us to function and develop there. We are not there by virtue of the agreements signed."

Juan Antonio Guzman, the general manager of Chilgener, holds a similar view. He says that any agreement in this regard is important, "but it should be noted that these agreements have not applied specifically to the businesses we are undertaking there or to our investments." In the opinion of Ronald Bown, these agreements do provide an important impetus, particularly when the world is moving toward integration. He repeated that this is an irreversible process that was bound to come about sooner or later.

And how has this process been developing? In general, the balance sheet is positive, in the opinion of Walter Riesco. He recalls that the conclusion at the recent meeting of the Chilean-Argentine Business Committee was that despite the farm problem, on which some progress has been made recently, the other sectors are showing progress.

In this regard, this leader emphasized the successes achieved in mining, for example, the measures adopted for prospecting in the frontier zones. Argentina promulgated a decree last May listing the investment restrictions in these places. On a parallel basis, a draft law is being processed in our country with a view to facilitating investments in these areas. According to Riesco, this will speed up integration in this sector.

Eugenio Ipinza, international relations manager of the Industrial Development Association (Sofofa), agrees with this assessment in part. "Progress is being made in all of the sectors. What is happening is that some are moving more rapidly than others," he said. In his opinion, problems still exist in the agricultural sectors of both countries, although there are more such problems in Chile. However, he emphasized the meetings of government bodies at which have adopted measures have been adopted to facilitate matters. He mentioned in particular the measure pertaining to the movement of fruit and vegetable products and animals from one territory to the other.

Ronald Bown was confident in asserting that what is needed to improve this complementation process is proper coordination between those making the decision to sign agreements and those who will implement them. "In this connection," he noted, "there has been a lack of understanding on the part of the private sector, which was not consulted, although this is being corrected." While some explain the obstacles in bureaucratic terms, others attribute them to the various regulations in effect in the trans-Andean provinces, especially those in the boundary areas. "Here we have a single regulation that is the same for the entire country, but on the other side, there are provisions which vary," Ipinza said.

Studies Under Way

This is not a process which can be carried out overnight. As a result, both parties have begun feasibility studies to evaluate the different ideas which have emerged.

One of these has to do with the digging of a tunnel at a low level through the Los Libertadores Pass. It has already been agreed to ask the respective military-geographic institutes for the budgets needed for the required cartographic work. According to Riesco, this project would take time, because the construction work could not be completed in fewer than five or six years.

Nonetheless, it has also been requested that steps be taken during this period to improve land transport and customs processing. In view of the probable increase in traffic, it has also been decided to evaluate and analyze the available infrastructure in order to find the weak points in terms of roads and ports in the territories of both parties.

Businessmen have also asked for a study with a view to standardization of the technical or quality norms for products, in order to facilitate trade. It has been observed that different technical requirements are in effect in Chile and Argentina in this connection, and it is believed that standardization is needed.

A similar feeling has been noted where trademarks and patents are concerned. The idea is to establish a single register for the two countries, so that there will be no limitations when a domestic product is shipped to Argentina, where it cannot be sold because of this kind of problem.

The general manager of Chilgener believes that our country has imposed limits on the entry and exit of capital. "This certainly puts limitations on the capacity to undertake joint projects," Guzman said. To the obstacles described by the businessmen, the agreements endorsed by Argentina as a member of the Mercosur [Common Market of the South] have now been added, just at the time when an exchange of product lists with Chile is planned with a view to intensifying preferential customs treatment.

The members of the Mercosur have agreed to negotiate further reductions in customs duties with third countries, since the current partial agreements of any one of the four partners with other nations will cease to be effective as of 31 December 1994. It has now been agreed to renegotiate these agreements as of this year, and not to allow customs preferences of more than 50 percent for the duty on products coming from nations that are not members of this pact.

"These criteria for negotiation were established for the transition period between now and 31 December 1994.

After that date, it will be necessary to renegotiate everything. But in the interim, it will be possible to negotiate with regard to the list of products mentioned, which might be given preference of no more than 50 percent in the case of Argentina, because it is a member of the Mercosur, but not for Chile, which is open to any negotiated preference," Ipinza explained.

According to some businessmen, this situation does not affect the complementary economic arrangement with our country, although it does limit broader and more flexible bilateral negotiations.

Others estimate that some 75 percent of the domestic exports sent to Mercosur countries on preferential customs arrangements will be affected by these provisions.

Although he says that there will be no effect on the electrical sector, Juan Antonio Guzman expressed the view that in general, in a world where frontiers are opening up, the efforts to form groups of countries closed to the others do not have a very promising future.

In the document signed in Santiago in 1990, prior to the agreements, Presidents Aylwin and Menem noted the need for rapid progress toward integration. To this end, they agreed to establish the basis for a broader market, which should be completed by 31 December 1995 at the latest.

Is this feasible, given the present scenario? The businessmen do not belittle their capacity. In Bown's view, "nothing is impossible." He says that provided there is better coordination, information, and participation in the decisionmaking process, and also provided that the phytosanitary problems in the farm sector are overcome, this can very probably be achieved.

Riesco bases his hope on the figures. He notes that the trade balance, which is traditionally negative for Chile, is now moving toward equilibrium.

Eugenio Ipinza is not that optimistic. He says that a clear definition of what one means by "broadened markets" is needed. "If this term means 100-percent preference, this has not been agreed upon. Quite the reverse with Mexico. This is an aspiration which has not been realized concretely in any planned fashion. However, this does not mean that talks are not continuing with a view to the gradual reduction of duties, leading eventually to a common market."

It remains for the authorities and the businessmen to bring about the realization of this complementation as a result of a series of meetings, which, with all their advances and retreats, are beginning to be a reality.

Colombia

President Gaviria Praises Operation Green Ice

PA0210023992 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 1 Oct 92

[Text] On 1 October President Cesar Gaviria praised the success of the international operation in Italy against gangs of drug traffickers. He also spoke of other activities he deems necessary.

[Begin recording] [Gaviria] The international coordination in the struggle against drug trafficking has been a success. Greater coordination was something Colombia had been requesting for some time. This time we had that coordination among the police authorities and we hope that in other areas of the war on drug trafficking we eventually will have this kind of collaboration.

[Unidentified correspondent] Mr. President, is this part of your—and Colombia's—struggle against drug trafficking?

[Gaviria] Yes, of course. This is part of the collaboration of Colombia with other police forces in the world, other counternarcotic police forces, in the struggle against drug trafficking.

[Unidentified correspondent] Mr. President, was this the beginning of the international cooperation Colombia has been requesting for so long?

[Gaviria] No. We have always gotten a better response in the area of police cooperation than in other areas. I am referring in the struggle against money laundering, the efforts to control chemicals, and legal cooperation. There are four or five other areas that are equally important, but in which the advances have not been so marked as those advances in collaboration among national police forces. [end recording]

Ex-Peace Adviser Serpa Talks About Resignation

PA0210014092 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 1 Oct 92

[Text] Former presidential peace adviser Horacio Serpa Uribe returns to political activities and will be one of the directors of Ernesto Samper's presidential campaign. Serpa today said he is resigning as peace adviser because the guerrilla groups are inconsistent and do not want peace. My resignation does not mean that the government has lost to the guerrillas, said former peace adviser Horacio Serpa.

Serpa said his duty as peace adviser was now pointless and the peace process is and will continue to be a failure as long as the guerrilla groups continue their intransigence toward the dialogue policies proposed by the government. Serpa said that road has come to its end, and the guerrilla movement's ideology has collapsed.

[Begin Serpa recording] First of all, the guerrilla movement has easily understandable conceptual problems because its ideological base has collapsed. Second, due to

the manner in which the revolutionary task is carried out in Colombia, the rebels have not had the opportunity to experience the national reality. That is why their judgments are incorrect. [end recording]

Serpa insisted that the government must maintain the dialogue and avoid taking a warlike stance. He said that even though he did not attain the goal of peace, he does not feel he failed.

[Begin Serpa recording] What am I going to do? I will return to politics, I am a politician, and I am not ashamed to say it. I think it is very important that the country has Samper Pizano as a political alternative. [end recording]

The former peace adviser will now assist the political campaign of Ambassador to Spain Ernesto Samper with the goal of making him president.

Peace Commission Member on Serpa Resignation

PA0110180192 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 1 Oct 92

[Interview with Rafael Serrano, member of the House of Representatives Peace Commission, by unidentified correspondent in Bogota—live]

[Text] [Correspondent] Presidential Adviser for Peace Horacio Serpa Uribe has resigned. What is the reaction to his resignation among civilians who supported the resumption of talks with the Simon Bolivar National Guerrilla Coordinating Board [CNGSB], and what is the reaction of the CNGSB?

There have been many reactions. Dr. Rafael Serrano Parada, who is a member of the House of Representatives and its Peace Commission, and other commission members met with several CNGSB spokesmen 30 September. Good morning, Dr. Rafael Serrano. What is the impression you got from guerrilla members about Serpa's resignation?

[Serrano] The commanders of the guerrilla fronts are very concerned because they think Dr. Serpa was a very important figure in dealing with the peace policy, someone who favored the political agreements that have been zealously sought. They argue that the country is living in a very complex situation and that peace involves more than accepting the status quo of the fatherland.

They think the economic opening imposed by multinationals, the worsening of social problems in Colombia, and the presence of U.S. planes in the skies of the fatherland eliminate any possibility of attaining national reconciliation. They say conditions are nonexistent.

The CNGSB, which met with members of the House of Representatives Peace Commission, thinks the resignation of a man of Horacio Serpa's importance is traumatic for the peace process, because the peace adviser is no ordinary official. He is an official on the same level as a government minister; in fact, I think even above the minister.

[Correspondent] What is your impression of the CNGSB's reaction to Dr. Serpa's resignation, given that the CNGSB took away political power from the presidential adviser by engaging in pointless talks in Caracas and Tlaxcala?

[Serrano] That is your personal opinion, not the country's opinion. This country is currently facing an anguishing situation. Unemployment is nearly 20 percent, and social problems cannot be resolved because Article 355 of the Constitution blocks help for the poor. There is widespread anguish. There is a rebellion at the top because of new taxes, and there is a rebellion at the bottom because the state can do nothing for them.

[Correspondent] Is that your opinion or the opinion of the guerrillas?

[Serrano] That opinion is based on the analyses we have made in Paipa and in Congress. My opinion is that the 1991 national Constitution was very good for the country, because it opened doors to new forces and allowed them to express their views in a democratic arena. But in the economic arena, it became a constitution that... [break in reception]

Ecuadoran Foreign Minister on Trade Accord

PA0110200392 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 1 Oct 92

[Text] Santa Fe de Bogota—As the implementation of the free trade agreement between Colombia and Ecuador begins, Ecuadoran Foreign Minister Diego Paredes stated that this is the only way for these countries to become efficient and competitive.

Meanwhile, Alfonso Revolledo, speaking of behalf of the Pasto Chamber of Commerce members, stated that authorities did not view the needs of the people in the border area. He added that businessmen view this new process with justifiable anxiety.

Paraguay

Central Bank's Paez on Foreign Debt Repayment

PY0110154792 Asuncion ABC COLOR in Spanish 28 Sep 92 p 11

[Summary] After returning from Washington, Paraguayan Central Bank President Jose Enrique Paez stated that the most positive outcome of the meetings with IMF and World Bank officials is an agreement to repay Paraguay's outstanding external debt by the end of the year. Paez explained that Finance Minister Juan Jose Diaz Perez signed a $55.6 million credit package with the Inter-American Development Bank, IDB. This package consists of a $30 million line of credit—with a time limit of 40 years and an annual interest rate of 1 percent for the first 10 years and 2 percent

for the ensuing ones until the loan is written off—to be disbursed by the Special Operations Fund, and a $25.6 million line that will be funded with regular IDB investment funds and will have a 30-year time limit and an annual interest rate of 7.5 percent. These lines of credit will be earmarked for the agrarian reform program, and will be administered by the Agrarian Reform Institute and the Agricultural Development Fund. The finance minister also signed two loan agreements with the World Bank, one for $23 million, which will be earmarked for drinking water projects in rural areas and will be managed by the National Environmental Health Service, and the other for $2 million, which will be allocated for alternative crops cultivation.

Peru

President Attends, Discusses Guzman Trial

PA0110233192 Lima Radio Programas del Peru Network in Spanish 2100 GMT 1 Oct 92

[Text] The trial of Shining Path leader Abimael Guzman on San Lorenzo Island began with the unexpected presence of President Alberto Fujimori. Guzman is charged with treason against the fatherland. Following a two-hour stay on the island, President Fujimori said the trial is proceeding with all the guarantees and regulations regarding confinement established by international law. He said that prisoner No. 1509 may be sentenced prior to 27 October.

Aboard a motorboat guarded by Marines, Fujimori confirmed that top Shining Path hierarchy members Elena Iparraguirre and German Sipian, alias Comrade Arturo, are being held at the same naval detachment where Abimael Guzman is, but in separate cells. He said the trial [instructiva] of Iparraguirre and Sipian began at noon on 30 September.

In conclusion, President Fujimori said the terrorist acts perpetrated over the past few days, which have been described as white [indiscrimate targeting] terrorism, have caused anxiety among the people and are meant to distract the government's attention from its efforts against the Shining Path and MRTA [Tupac Amaru Revolutionary Movement], because ever since their leader's capture, the Shining Path actions have been limited, controlled. The president asked the people to remain alert.

[Begin recording] [Fujimori] In this case, which concerns the entire country, it is difficult to (?compromise on any security measure) to prevent any setbacks. Precautions have been taken—I can personally confirm that—and the judges, who began the trial at 1215 [1715 GMT] on 1 October, are acting in accordance with the law, with all the formalities and in the presence of the defense attorney.

Three people are being held on the island: Abimael Guzman, the so-called Comrade Arturo, and Elena Iparraguirre, also known as Comrade Miriam. They are isolated, obviously, in accordance with international confinement laws. Their trials began on 30 September. Everything is being carried out with the necessary guarantees, under totally normal conditions, and especially with the security the country requires. This is fully guaranteed.

[Unidentified correspondent] [Words indistinct]

[Fujimori] I would say they have certain comforts but I cannot say [words indistinct]. They are in normal cells, where isolation is fundamental. I can also say that the trial is being carried out [words indistinct]. In other words, the defendants are in booths fitted with bars. We do not have the means or facilities to put up a [word indistinct] like the one used for the German terrorist group. We have, however, provided booths with bars for the trial. Their attorney is approximately three or four meters away, and they can communicate easily.

[Correspondent] (?Can you give us) the date of sentencing?

[Fujimori] It would be preferable to shorten that timeframe as much as possible, while still observing the laws that we passed in a timely manner on this issue. The defendant is accused of treason against the fatherland. I hope this trial will end before 27 October, which is a normal time span. The trial can be shortened given the crimes committed. It is not necessary to review each crime committed since 1980. It would be sufficient to consider two or three representative cases and sentence him for treason against the fatherland.

[Correspondent] Once the Shining Path leader is sentenced, what countersubversive strategy will the government adopt in response to the white terrorism taking place in the country?

[Fujimori] Yes. That is a way of creating anxiety through rumors, and it is probably a Shining Path strategy to counter its current limited actions. The subversives are attempting to distract the government. I believe that is their goal.

I have already stated very clearly that terrorism will not end because Abimael Guzman was captured. We must all remain alert, we must all be involved so that terrorism can be controlled effectively. [end recording]

President Fujimori then announced that at 1900 [0000 GMT] on 1 October, he will swear in the new Presidency minister in the Golden Room at the government palace. The new minister is Manuel Vara Ochoa, the current deputy Presidency minister. He will replace Jorge Lau Kong.

Swears in New Presidency Minister

PA0210033992 Lima Global de Television Network in Spanish 0100 GMT 2 Oct 92

[Text] President Alberto Fujimori swore in the new presidency minister, Manuel Vara Ochoa, in a protocol ceremony held this evening at the Government Palace.

[Begin recording] [Fujimori] Engineer Manuel Vara Ochoa, do you swear to God and [words indistinct] loyally and faithfully carry out the post of presidency minister [words indistinct].

[Vara Ochoa] Yes, I do. [end recording]

Presidency Minister Maximo Manuel Vara Ochoa was sworn in at 1910. The president swore in the new official, who became the second man to assume the highest post in the recently reinstated ministry, replacing Jorge Lau Kong.

The ceremony, held at the Government Palace's Gold Room, was attended by Cabinet members who are friends of the new minister and members of Change 90.

Vara Ochoa, a 59-year-old engineer, was the deputy social development minister. He is an agronomist and a graduate of La Molina National Agrarian University. In 1990, he was appointed Peru's representative to FAO [Food and Agriculture Organization of the United Nations] with the rank of ambassador.

San Lorenzo Area Restricted

PA0210005692 Lima Radio Programas del Peru Network in Spanish 1800 GMT 1 Oct 92

[Text] The Defense Ministry has reduced the restricted area around the San Lorenzo and El Callao islands for navigation, fishing, sports, and recreation activities carried out with any type of craft.

The restricted area around San Lorenzo island will be 1,000 yards and the restricted area around El Callao island will be 600 yards. The restricted area established around the two islands was initially one mile.

Shining Path Loses '70 Percent' of Leaders

PY0110200892 Lima EXPRESO in Spanish 21 Sep 92 p A5

[Excerpt] The loss of about 70 percent of its ruling cadres and the recent arrest of its top leader, Abimael Guzman Reynoso, alias "Comrade Gonzalo," has prompted a serious crisis within the terrorist Shining Path gang. According to most experts, this crisis should in the long run result in the irrevocable dissolution of the Shining Path.

The terrorist organization's original cadre comprises 58 founding members of the so-called Communist Party of Peru—Shining Path [Partido Comunista del Peru-Sendero Luminoso] who were members of the class of ILA-80 which, 12 years ago, declared war on our country. They got the idea after years of promoting violence at San Cristobal University in Huamanga, Ayacucho Department.

Management of Shining Path's criminal activities has been centered from the beginning on its founder, ideologist, and top leader, "Gonzalo," but since the terrorist gang's first congress in November 1989, the existence of steering and executive bodies of the sinister organization devised by Guzman was acknowledged.

During the subversive congress it was agreed that the Central Committee should comprise 19 members as follows: Abimael Guzman Reynoso ("Gonzalo"), Elena Albertina Iparraguirre Revoredo ("Miriam"), Oscar Alberto Ramirez Duran ("Feliciano"), Deodato Hugo Juarez Cruzatt ("German"), Elizabeth Gonzales Otoya Santisteban ("Aurora"), Margie Evelyn Clavo Peralta ("Nancy"), Teresa Duran Araujo ("Dora"), Yovanka Elizabeth Pardave Trujillo ("Sara"), Margot Lourdes Liendo Gil ("Noemi"), Elvia Nila Zanabria Pacheco ("Juana"), Osman Roberto Morote Barrionuevo ("Remigio"), Gerardo Saenz Roman ("Claudio"), and Ostap Morote Barrionuevo ("Luis").

The Central Committee comprised "Rene," "Nicolas," "Marcela," "Ramiro," "Pepe," and "Federico." Tito Roger Valle Travesano ("Eustaquio"), "Augusto," and "Omar" were appointed as Central Committee alternate members. Victoria Obdulia Trujillo Agurto ("Elizabeth"), "Rita," and "Valia" were Central Committee candidate members.

Shining Path's principal ruling body remained virtually unchanged after the 2d Shining Path congress but was to have been completely rejuvenated during the upcoming meeting that was being organized when Dincote [Counterterrorism Directorate] personnel arrested "Gonzalo" and other important members of the terrorist leadership.

During the 1st Shining Path congress, a decision was also made on a political bureau that comprised "Gonzalo," "Miriam," "Feliciano," "German," and "Aurora." "Nancy," "Dora," and "Sara" were appointed Political Bureau alternate members.

Although the Shining Path's appearance was one of invulnerability and omnipresence, its basic structure had begun to crumble before the 1989 congress with the arrest—in June 1988—of Osman Morote and his subsequent prosecution and sentence by a special court appointed by the Lima Higher Court [Corte Superior de Lima]. After Morote's prosecution and sentence, some Shining Path support bodies showed signs of weakness and began to be gradually dismantled by the authorities. [passage omitted]

Shining Path Organizational Structure Described

PY0210010092 Lima LA REPUBLICA in Spanish 22 Sep 92 Special Supplement pp 16, 17

[Unattributed alphabetical list of the groups operating under the umbrella of the Shining Path]

[Text] A. The AAD (Democratic Lawyers Association) of [Asociacion de Abogados Democraticos]: This group is part of the SPP [People's Aid of Peru] [Soccorro Popular de Peru]. It provides legal assistance to all arrested Shining Path members and advises unions that have Shining Path influence. Its current president is Alfredo Crespo, who is the defense lawyer for [Shining Path leader] Abimael Guzman. His predecessor was Martha

Huatay Ruiz, who appeared next to Guzman in a video seized at Guzman's house in Monterrico.

The AED (Democratic Students Association) [Asociacion de Estudiantes Democraticos]: This group comprises university students of law schools of various universities who obey instructions from AAD members. It is an organization under the SPP

The AFPD (Association of Relatives of Political Prisoners, Missing, and Detained) [Asociacion de los Familiares de los Presos Politicos, Desaparecidos, y Detenidos]: This organization is also under the SPP It recruits militants from among the relatives of people under arrest for terrorism. It serves as a liaison between arrested Shining Path members and militants linked to the WEK [Special Working Group in the Prisons] [Grupo de Trabajos Especial en las Carceles].

B. The Bat (Battalion): This group is composed of armed Shining Path members in the interior who belong to the mobile network.

The Bs. Ap. (Support Bases) [Bases de Apoyo]: This group is composed of the people's committees in rural areas that implement the wishes of the Shining Path and are the expression of what the RPP [People's Republic of Peru] [Republica Popular del Peru] will be like.

The Buro Pol. (Politburo): This is the top organization which draws up the strategic and tactical plans.

C. The CARP (Committees to Support the Revolution in Peru) [Comites de Apoyo a la Revolucion en el Peru]: Shining Path propaganda cells abroad which are subdivided in front operations, including the "study groups," "literary circles," "defense committees of human rights in Peru," "musical guerrilla army," and other organization that also depend on the MPP [People's Movements of Peru] [Movimientos Populares de Peru].

The CLOTCAA (Committee for the Struggle of Classist Laborers and Workers of Argentina Avenue) [Comite de Lucha de Obreros y Trabajadores Clasistas de la Avenida Argentina): A subdivision of the MOTC [Classist Laborers and Workers Movement] [Movimiento de Obreros y Trabajadores Clasistas].

The CLOTCCC (Committee for the Struggle of Classist Laborers and Workers of Central Highway) [Comite de Lucha de Obreros y Trabajadores Clasistas de la Carretera Central]: A subdivision of the MOTC

The Com. Em (Emergency Committee): A select group of leaders who, in the face of an eventual fall of the Central Committee, would take over that function until a new one is elected.

The Com. Perm (Permanent Commission): This group, which reports directly to the congress, would make all decisions in the event of the Central Committee being unable to meet quickly or hold a plenary Session or a national conference.

The Com. Pol. (Political Commission): This group implements the agreements reached by the leadership and makes periodic evaluations.

The Central Committee [Comite Central]: Second only to the Presidency, this is the highest organization of the party structure. Generally, the highest chiefs of the Regional Committees make up this organization.

The Com. Mil. (Military Commission): This group implements the agreements reached by the leadership in the military field.

The Com. ORPP (Organizational Commission of the People's Republic of Peru) [Comision Organizadora de la Republica Popular del Peru]: This group coordinates the actions of all support bases and people's committees which are the expression of the "new state" that the Shining Path plans to establish once it takes over power.

The Comp. (Company): This group is penultimate on the list of military components of the EGP [People's Guerrilla Army] [Ejercito Guerrillero Popular] mobile network in the interior.

The CCA (Enlarged Central Committee) [Comite Central Ampliado]: This group comprises the Central Committee and the top party chiefs who evaluate and approve urgently needed tasks.

The CML (Lima Metropolitan Committee) [Comite Metropolitano de Lima]: This is the top political-military organization of the PCP-SL [Communist Party of Peru-Shining Path] in our capital. It plans and implements actions in the capital. It is subdivided in six regional committees and coordinates directly with the MRDP [Revolutionary Movement for the People's Defense] [Movimiento Revolucionario de Defensa del Pueblo]. It was run by "Comrade Meche."

The Conf. Nac. (National Conference): The leaders of the party leadership of the entire country participate in this conference. Their decisions can be revoked by the congress.

The Congress [Congreso]: This is the top party event where important agreements for the development of the "people's war" are approved. One congress was held in 1988. While preparing for the second congress, the Central Committee was arrested.

The Coord. Nac. (National Coordinator) [Coordinador Nacional]: This is the link between the party leadership and the organization. German Sipian Tavara, or "Comrade Arturo," was allegedly responsible for this department.

The CP (People's Committees) [Comites Populares]: This group replaces state authorities in the interior in areas under Shining Path control and carries out tasks ordered by the organization. It comprises five officers and supplies the EGP with militants to integrate local forces and base forces. A support base comprises five to eight People's Committees.

The CPC (People's Clandestine Committees) [Comites Populares Clandestinos]: This group replaces state authorities in the cities and carries out tasks ordered by the Shining Path under the conception of the "new state." Its work is secret.

The CPA (Open People's Committees) [Comites Populares Abiertos]: This group has the same functions as the CPC, but their "open," or semi-legal character was designed to provoke violent reactions by the security forces. A case in point is the "Raucana" settlement incident.

The CRC (Central Regional Committee) [Comite Regional del Centro]: This group covers Junin, Pasco, and Huanuco hills.

The CRH (Huallaga Regional Committee) [Comite Regional del Huallaga]: This group covers the Upper Huallaga coca producing area.

The CRN (Northern Regional Committee) [Comite Regional del Norte]: This group covers Tumbes, Piura, La Libertad, Cajamarca, Ancash, and Amazonas. It was commanded by "Comrade Remigio," or Osman Morote.

The CRP (Main Regional Committee) [Comite Regional Principal]: This group covers Ayacucho, Apurimac, and Huancavelica.

The CRS (Southern Regional Committee) [Comite Regional del Sur]: This group covers Ica, Puno, Arequipa, Moquegua, and Tacna. It operates under "Comrade Feliciano."

The C. Sec. (Commissar Secretary) [Comisario Secretario]: He is the head of the people's committees.

The C. Seg. (Security Commissar) [Comisario de Seguridad]: He is responsible for organizing defense networks and for overseeing the fulfillment of the Shining Path "golden rule" to prevent infiltration, betrayal, and desertion.

The CAC (Community Affairs Commissar) [Comisario de Asuntos Comunales]: He is responsible for registering births and deaths. He presides over marriages, resolves land problems, marital problems, and others.

The C. Org. (Organization Commissar) [Comisario de Organizacion]: He is responsible for implementing the decisions of the People's Committee.

The C. Prod. (Production Commissar) [Comisario de Produccion]: He is in charge of guarding what the controlled areas produce. He decides what is to be sold and what will be kept for local consumption. He distributes land, decides on any new infrastructure, and the sale of products.

The CSZ (Subzonal Committees) [Comites Sub Zonales]: These are usually organized in rural areas over zones defined by provinces.

The CZ (Zone Committees) [Comites Zonales]: They operate in rural areas and have jurisdiction over the geographical area of a department.

The CZC (Center Zone Committee) [Comite Zonal Centro]: This committee controls the Cercado de Lima, Brena, La Victoria, and Rimac Provinces.

The CZCH (Chosica Zone Committee) [Comite Zonal Chosica]: This committee controls Chosica, Nana, Ricardo Palma, Santa Eulalia, and Huampani.

The CZE (Eastern Zone Committee) [Comites Zonal, Este]: This committee controls Ate-Vitarte, San Juan Lurigancho, and El Agustino.

The CZN (Northern Zone Committee) [Comites Zonal, Norte]: This committee controls Comas, Los Olivos, Independencia, Ancon, Puente Piedra, and San Martin de Porres.

The CZO (Western Zone Committee) [Comites Zonal, Oeste]: This committee controls San Miguel, Pueblo Libre, La Perla, Carmen de La Legua, Callao, and Bellavista.

The CZS (Southern Zone Committee) [Comites Zonal, Sur]: This committee controls Villa El Salvador, Villa Maria del Triunfo, Chorrillos, San Juan de Miraflores, Pachacamac, and Lurin.

D. The DAO (Organization Support Department) [Departamento de Apoyo Administrativo]: This group reports to the central party directorate. It transmits to all PCP-SL organs military and political decisions and decisions on the "New State." It organizes special meetings with rank-and-file leaders to brief them on the tasks they have to perform.

The D. Econ. (Department of Economy) [Departamento de Economia]: This unit reports to the GAP [Partisan Support Group] [Grupo de Apoyo Partidario] and handles all the money distributed according to the needs of the party and of "President Gonzalo."

The D. Esp. (Special Detachments) [Destacamentos Especiales]: In the cities, these are the "annihilation groups" which perform special sabotage actions, like planting "car-bombs."

The D. Log. (Logistics Department) [Departamento de Logistica]: This unit reports to the GAP, supplies the arms that are necessary for special actions, and provides the infrastructure for party events.

The D. Prod. (Production Department) [Departamento de Produccion]: This unit produces clothes and shoes for high-ranking party members (for militants, each organ has its own production department). For example, the gray uniforms of leaders are made by this group.

The D. Prop. (Department of Propaganda) [Departamento de Propaganda]: This unit releases to party members the documents approved by the party directorate. It

prints posters, leaflets, and pamphlets on party decisions. It runs "EL DIARIO," which is now closed, contacts the foreign press in which it is interested, and contacts "people's war" supporters.

The DRE (Department of Foreign Relations) [Departamento de Relaciones Exteriores]: This unit has two functions: It maintains permanent links with the MRI (International Revolutionary Movement [Movimiento Revolucionario Internacional]. It also directs cells abroad and the CARP units. It ensures that the "party line" is complied with on international affairs.

The D. Trad. (Translation Department) [Departamento de Traduccion]: This unit prepares party documents in other languages (English, French, German) for dissemination abroad. It translates into Spanish the foreign documents in which the party directorate is interested.

The D. Zon. (Zone detachments) [Destacamentos Zonales]: This unit is the penultimate military level of the EGP in the cities.

E. The EGP (People's Guerrilla Army): This is the armed organ of the PCP-SL which reports directly to the party presidency. It has two branches, one for the interior and one for the cities.

Party Events: These are the meetings held by top party leaders for the purpose of making decisions.

F. The FRDP (Revolutionary Front for the People's Defense) [Frente Revolucionario de Defensa del Pueblo]: This is the political apparatus that reflects the Shining Path's "new state" in the interior and in the cities. It serves as an umbrella organization for "created organs" like the Poor Peasants Movement [Movimiento de los Campesinos Pobres] and the "People's Interest Front," [Frente de los Intereses del Pueblo]. The FRDP has shown no signs of existence.

The F. Base (Rank-and-File Force) [Fuerza de Base]: This is an EGP cell within the territorial network housed in a people's committee. It is the Shining Path's lowest military organ in rural areas.

The F. Loc. (Local Force) [Fuerza Local]: This is a group of three to five rank-and-file forces.

The FP (Principal Force) [Fuerza Principal]: This is a mobile armed column operating in the field. It is divided into regiment, battalion, company, and platoon.

G. The GAP (Partisan Support Group): This group is responsible for 10 other organizations that cooperate in the execution of plans.

The GCI (Ideological Consolidation Group) [Grupo de Consolidacion Ideologica]: This discipline secretariat is in charge of assessing cases of weakness, surrender, or a distortion of ideology. It receives so-called "obedience letters" in which the militants express their repentance and ask for forgiveness and to be allowed to remain as militants of the PCP-SL.

The GIE (Strategy Intelligence Group) [Grupo de Inteligencia Estrategica]: This group is part of the GAP and is the intelligence apparatus that supplies addresses, telephone numbers, contacts, and information network to the party organs in charge of carrying out actions. It also handles psychological warfare. When the leadership chooses a target, the GAP orders the GIE to carry out intelligence work and its results are then transmitted to the CZ The committee leadership will then order a Special Detachment or Annihilation Squad to carry out the action.

The G. San. (Health Group) [Grupo de Sanidad]: This group is part of the SPP It provides physicians and medicine for Shining Path members wounded during clashes. It is even capable of surgery and supplying post-surgery assistance.

The G. Prod. (Production Group) [Grupo de Produccion]: This group supplies food, clothing, and housing to those members who needed it to carry out their actions. It also collects and sells the handicraft produced by the terrorists in prison.

The G. Econ. (Economy Group) [Grupo de Economia]: This group organizes cultural events, lunches, parties, and other events to gather funds and finance the organization.

The GMP (People's Music Group) [Grupo de Musica Popular]: This group is part of the MAP [People's Artists Movement] [Movimiento de Artistas Populares] and handles proselytizing.

The GTP (People's Theater Group) [Grupo de Teatro Popular]: This group handles proselyzing actions through murders and other armed actions.

M. The MAP (People's Artists Movement): This group handles proselyzing in poor sectors through folk groups and theater.

The MCB (Proletarian Movement) [Movimiento Clasista Barrial]: This group infiltrates people's movements in settlements and shantytowns, especially the committees striving for potable water, light, and sewage systems.

The MCM (Teachers Movement) [Movimiento Clasista Magisterial]: This group infiltrates the grass roots of SUTEP [Trade Union of Education Workers] in shantytowns.

The MEC (Students Movement) [Movimiento Estudiantil Clasista]: This group recruits primary and secondary students, also preparatory school and university level students. It also infiltrates legal students' organizations.

The MFP (People's Women's Movement) [Movimiento Femenino Popular]: This group infiltrates expecting mothers' committees, glass-of-milk committees, soup kitchen committees, and feminist organizations.

The MJP (People's Youth Movement) [Movimiento Juvenil Popular]: This group recruits unemployed youths or those involved in informal activities.

The MIP (Peruvian Intellectual Movement) [Movimiento Intelectual del Peru]: This group includes Shining Path members who teach in primary and secondary schools, preparatory schools, high-level training institutes, and universities. It also includes writers, poets, painters, and "classist" theater authors.

The MOTC (Classist Laborers and Workers Movement): This group infiltrates legal labor union organizations and creates new front organizations like the CLOTCCC and the CLOTCAA.

The MPP (Peruvian People's Movements): This group controls all Shining Path cells and CARP units abroad.

The MRDP (Revolutionary Movement for the People's Defense): This political body is established in the cities. It includes all "created bodies" and conducts "en masse activities" and trains the people for the so-called insurrection.

The MRI (International Revolutionary Movement): This organization comprises the international pro-Maoist communist parties. It is headed by Bob Aviakan who disseminates Shining Path propaganda in the United States. It publishes the magazine "A WORLD TO WIN" in 15 languages. Its headquarters are in London and the Shining Path is believed to great influence its leadership.

The Mil. (Milicias) (Militias): These are the smallest of the EGP cells in the city. They carry out activities like armed propaganda, flags displaying, wall paintings, and road blocks.

N. The New State: This comprises support bases and people's committees, the seeds of the utopian People's Republic of Peru.

O. The Ruling Bodies: This is the high-level party leadership which is charged with "the three instruments:" Party, Army, and Single Front (the PCP-SL, the EGP, and the MRDP-FRDP)

The Execution Bodies: These organizations implement the actions agreed by the PCP-SL leadership.

P. The Platoon: This is the smallest mobile unit of the EGP in the interior.

The Leadership: This is headed by Manuel Ruben Abimael Guzman Reynoso, alias "President Gonzalo." He is also the president of the People's Republic of Peru that is being organized.

R. The Reg. (Regimiento) [Regiment]: This is a mobile unit of the EGP in the interior.

The R. Mobil (Red Movil) [Mobil Network]: This is a series of EGP roving columns subdivided into the main force, the regiment, the battalion, the company, and the platoon.

The R. Ter. (Red Territorial) [Territorial Network]: These are EGP military cells that consist of local forces which have a defined area of action, based mainly on where the members come from.

The People's Republic of Peru: This is the new utopian state the Shining Path seeks to establish after the current one is destroyed.

S. The Ses. Plen. (Sesion Plenaria) [Plenary Session]: This is the meeting of the party leadership to evaluate the results of campaigns, or to prepare highest-level events like congresses.

The SPP (People's Aid of Peru): This is one of the most significant bodies in Lima. It carries out semi-legal actions in support of the CML, but depends directly on the party leadership. It comprises a number of groups that carry out very specific activities.

W. The WEK (Special Working Group in the Prisons): This group provokes the security forces from inside the prisons. It is in direct contact with the party leadership.

'Terrorists' Arrested Since 1990 Listed

PY0110185592 Lima EL PERUANO in Spanish 18 Sep 92 p A4

[Text]**1990**

Deodato Hugo Juarez Cruzat was arrested 19 September. He is a Shining Path founder and had also been arrested in 1981. He was accompanied by Vilma Aguilar Fajardo. Seventeen other Shining Path members were arrested in raids in La Molina, Ate-Vitarte, La Victoria, and Callao.

1991

Seventeen terrorists were arrested 31 January, three of them members of the Shining Path directorate: Nelly Evans Risco de Alvarez Calderon, Adelaida Mendez, and Luis Enrique Patino Caceres.

Jorge Grados Bernitt, Shining Path leader for northern Lima, was arrested 24 April. Three People' Intellectual Group members also were arrested on that date.

Tito Valle Travesano, a leader of the Democratic Lawyers' Association, was arrested 23 June, along with Shining Path leaders Jose Durand Araujo, Yovanka Pardave Trujillo, and Victor Zavala Catano.

Shining Path political leader Marcos Ccallocunto Nunez was arrested in Callao 12 October, together with military command member Javier Olivos Pena, Ana Castillo Villanueva (logistics command member), and three other Shining Path members.

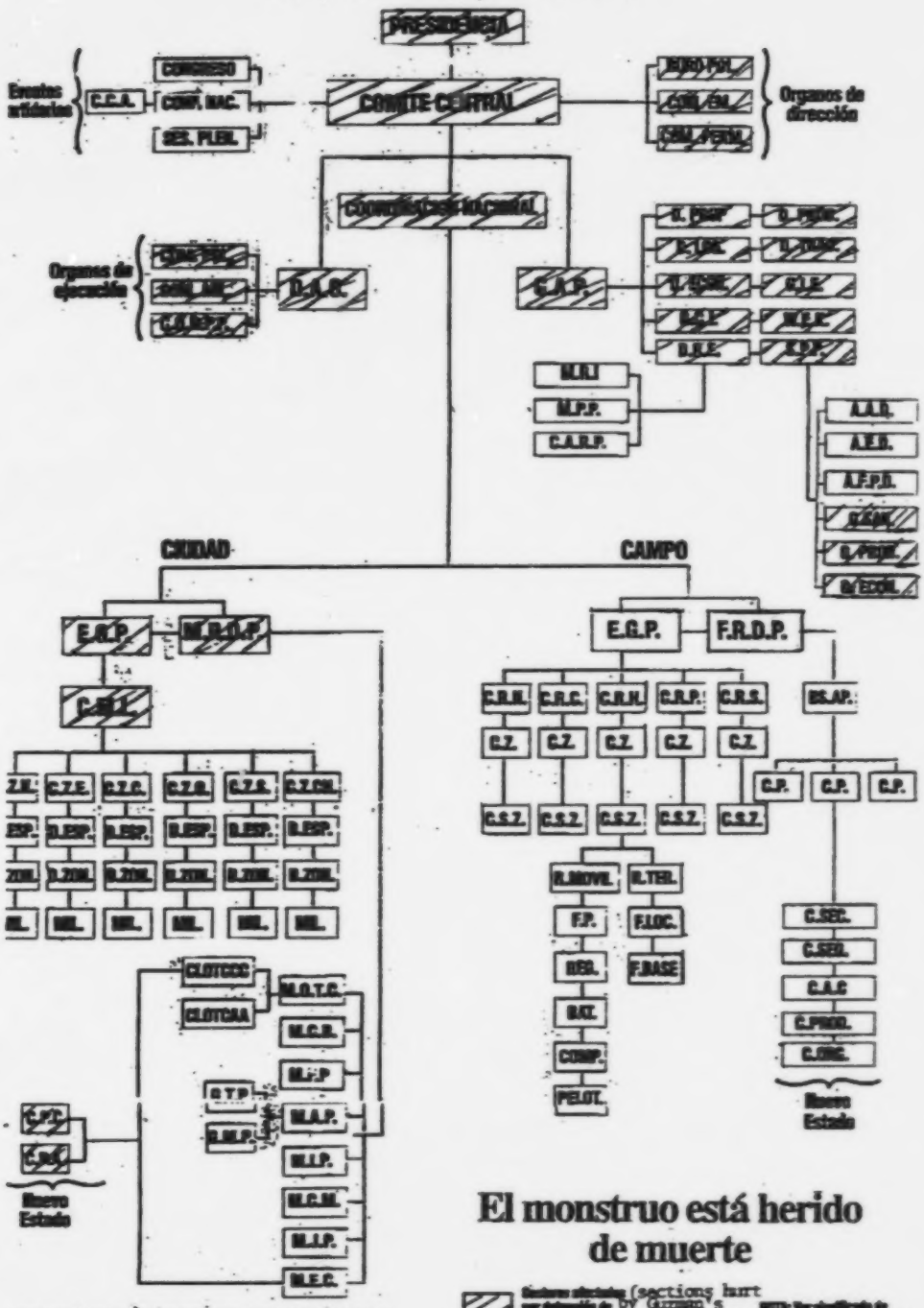
People's Help leader Mercedes Adela Rios Vera was arrested in the 19 de Mayo neighborhood 28 November.

People's Help military command member Douglas Milton Silva Davalos, or Lorenzo Humberto Padilla Contreras, was arrested 3 December.

1992

Francisco Morales Zapata, head of the People's Help medical group, was arrested 26 February.

Partido Comunista del Perú (Sendero Luminoso)



El monstruo está herido de muerte

Elaborado por la Unidad de Investigación de "La República"
crafted by LA REPUBLICA investigative unit

MRTA [Tupac Amaru Revolutionary Movement] leader Victor Polay Campos and MRTA deputy leader Peter Cardenas Schulte were arrested 14 April. Arrested with them were Esperanza Madrid Bonilla, manager of the MRTA's "people's jails"; Edgar Chahua Damian, chief of logistics support and storage; and the militants' regional leader, Bertha Saenz Fernandez.

On 17 April, raids were carried out in an apartment in the Santa Cruz neighborhood of Miraflores, a meeting place for the MRTA command, and another apartment in San Borja (Las Artes Avenue) used as MRTA's "people's jail."

The printing plant of the newspaper EL DIARIO, located in Brena, was raided 22 April. Jorge Luis Durand Araujo, the general coordinator of this Shining Path newspaper, Danilo Blanco Cabezas, Carlos Banda Janampa, and 18 other members of the propaganda scheme were arrested. The MRTA computer center, which was located in San Isidro, also was raided on that date. Computer equipment, a fax machine, a photocopying machine, and diskettes were confiscated.

Osman Efrain Morote Durand, the son of Osman Morote Villanueva, was arrested 24 May while carrying a large amount of propaganda material and a letter addressed to Abimael Guzman.

The Shining Path logistics support apparatus was dismantled 25 June after the arrest of 16 members of the direction cell. Raids were made on the Cesar Vallejo academy, an academy branch on Alfonso Ugarte Avenue, a printing house on Moquegua Street, and an office on Canete Street. Logistics support command member Luis Arana Franco was among the detainees.

The members of a Shining Path annihilation and sabotage cell operating in northern Lima were arrested 18 August. Other members of the Shining Path Metropolitan Committee operating in western Lima also were arrested on the same date.

Shining Path leader Abimael Guzman Reynoso was arrested 12 September together with other organization leaders.

Arrest of Guzman Undermines Drug Traffickers

PY0110125592

[Editorial Report] Lima LA REPUBLICA in Spanish in its 17 September issue carries on page 11 a 900-word article on the apparent exodus of Colombian drug traffickers from the Upper Huallaga region after the arrest of Shining Path leader Abimael Guzman.

No longer hampered by terrorist actions in the Huallaga region, that once provided protection to drug traffickers, the National Police Antidrug Division, headed by Commander Jorge Alvarado Oyola, now can embark on an all-out campaign to rout Colombian drug traffickers in the region, the article says.

Drug enforcement forces from Tingo Maria destroyed a laboratory at Previsto that once processed white raw cocaine paste, and seized laboratory equipment and 600 kg of acid. This laboratory was managed by a Colombian drug trafficker called "Memo," the article says. With the help of three DEA helicopters, the Tingo Maria branch of Mobile Rural Patrol Unit troops destroyed a huge clandestine laboratory. Another police operation near Cachicoto, in Huamalies Province, Huanco Department, resulted in the seizure of 249 kg of white raw cocaine paste and documents pertaining to the management of this business. A Colombian nicknamed "Jean" managed to escape, the article reports. DEA personnel and National Police shot down a Colombian light aircraft in Pampas but its pilot and co-pilot escaped.

Moreover, the sheltering of drug trafficking by terrorists has become more vulnerable, the article says. For example, a Colombian light airplane was attacked after it landed on Federico Basadre road—generally used for shipment of drugs for Colombia—where a cocaine transaction of 500 kg was to have been made. This road is located in Pampas, where the other Colombian aircraft was shot down. As a result of this attack, the Colombians had to pay more than $75,000 in order to take off. The possibility of the perpetrators' being policemen or militia members cannot be ruled out. It is also known that M. Misael, the company that was supposed to ship the drug, has come under fire from the Colombian cartels.

Well-documented sources state that because of Abimael Guzman's arrest, drug traffickers fear that they might be stripped of all protection by Guzman's followers, the article reports. Local residents, who are linked to drug trafficking one way or the other, believe because the Shining Path has been deprived of its leader, it will probably quickly leave the area.

Roundup of Terrorist Activities 21-23 Sep

PY0110175692

[Editorial Report] Following are reports on terrorist activities in Peru compiled from Peruvian papers published between 21 and 23 September. Publication information is given in parentheses after each item.

Shining Path Ambushes Vans—A group of 10 Shining Path members on 20 September ambushed three passenger vans in Toqto, on the Ayacucho-Apurimac Valley road in La Mar Province. After forcing all the passengers to get out and looting the vans, they set the vans on fire. The terrorists then proceeded to check the identity of the passengers and subsequently murdered peasant Erique Condori for being member of a peasant defense patrol and driver Jose Fernandez for trying to escape. (Lima EXPRESO in Spanish 21 Sep 92 p A12)

Two Indians Slain—Two Iscahuanca Indians were killed by Shining Path members on a road in Mollemolle, Chalhuanca District, Aymaraes Province, near Abancay. One of the Indians was killed because he was a former Shining Path captive who had escaped twice. The Shining Path members then stopped all vehicles on the road heading to Lima and demanded protection money. (Lima LA REPUBLICA in Spanish 21 Sep 92 p 13)

Community Leader Murdered—Two men shot and killed a street vendor, Fernanda Maldonado Quispe, 42, from a passing car on Jose Quinones Street, El Agustino District. She was coordinator of the Milk Glass welfare campaign in the Siete de Octubre shantytown where she lived. Police believe the murderers belong to the Shining Path. (Lima LA REPUBLICA in Spanish 21 Sep 92 p 12)

Shining Path Members Surrender—Bus passengers arriving in Trujillo from La Libertad reported that armed groups of Shining Path members had stopped their buses in Huamachuco and Santiago de Chuco to demand politely protection money and to inform them that they intended to surrender because they are demoralized by the arrest of their leader, Abimael Guzman. The members, in groups of 30 to 50 fifty men and women, were poorly dressed, malnourished, and apparently depressed. They distributed pamphlets announcing their surrender among the passengers. Trujillo police said they expected about 1,000 Shining Path members in the region to surrender soon. (Lima LA REPUBLICA in Spanish 21 Sep 92 p 11)

Two Soldiers Die in Clash—Two soldiers from Engineering Battalions No. 5 and 15 were killed in Sortilegio, Leoncio Prado Province, during a clash on 19 September. (Lima EL COMERCIO in Spanish 23 Sep 92 p A11)

Two Policemen Killed—Four "terrorists" murdered NCO Willy Serafin Zeballos Torres as he waited for a bus in Santa Maria District on 22 September. Another policeman, Anton Hurtado Mayta, was killed 19 September in similar circumstances while waiting for a bus in Mariscal Caceres District. (Lima EL COMERCIO 22 Sep 92 p A11)

Clandestine Weapon Factory Found in Chiclayo

PY0110154092 Lima EL COMERCIO in Spanish 24 Sep 92 p A11

[Text] Chiclayo—Agents of the Chiclayo National Police Special Services Headquarters, headed by Maximiliano Carnero Andia, found a clandestine factory for short- and long-range weapons.

The factory, located on 395 Chongoyape Street, Jose Leonardo Ortiz District, has been operating for the past eight years. It is believed that its products were purchased by common criminals and terrorists who operated in northeastern Maranon.

During the operation, police arrested factory owner Carlos Humberto Perez Flores, 38. Perez Flores manufactured rifles named "hechizas," that have grooved iron rods and finished with wood.

PAP Leader on Elections, Party Reorganization

PA2809213492 Lima Panamericana Television Network in Spanish 1200 GMT 28 Sep 92

[Text] The Aprista Party of Peru [PAP] will be reorganized along pragmatic and programmatic lines. This announcement was made by the party's deputy secretary general, Mercedes Cabanillas, who said this was one of the agreements reached during the recent special national plenary meeting of that political organization.

PAP also agreed to participate in municipal elections, but not in elections for the Constituent Democratic Congress [CCD].

[Begin recording] [Unidentified correspondent] What were the main agreements reached?

[Cabanillas] You already know the most important agreement: to reject and unmask the call for a CCD, which is not in line with the original proposal made by the party; in other words, that the CCD would work on a new constitution for six months and would call for general elections. Instead, the call is based on Fujimori's plan, which is to stay in power with the CCD until 1995. PAP leaders throughout the country have rejected this proposal. Therefore, with 176 votes in favor and 22 against, we agreed not to participate. At this time our rank and file are meeting and will shortly make a final decision on the disposition of PAP votes.

[Correspondent] PAP has wide support, approximately 22 percent. Where will that percentage go?

[Cabanillas] Party members are currently discussing this issue and we will soon make recommendations. This will be done within the context of finally delegating to the Executive Committee, in coordination with the Political Commission, the decision on the disposition of the PAP votes and announcing that decision to the rank and file through the directorates.

This, of course, is influenced by our past experience. We recall that during the second round of elections Fujimori received many PAP votes because he opposed a really drastic economic shock plan consisting of neoliberal adjustment and stabilization measures. In the long run, he did not comply with his electoral promises, which did not benefit the people. Those political factors are taken into consideration.

We also agreed to call an ideological and programmatic meeting, during which we will tell the nation of the party's newly defined programmatic proposals in the economic and production fields. We believe that the world has been transformed economically and politically with the collapse of the Soviet economy and the collectivist and communist political model. At the same time,

there are hegemonistic attempts to impose neoliberalism or absolutist liberal systems. PAP, as an autonomous party created by Haya de la Torre, ratifies the ideological principles of integration and autonomy. We will also announce new concepts, as well as a platform for the various sectors, based on the evolution of our economy and our society. [end recording]

Venezuela

President Meets With U.S. Southern Command Chief

PA0110221892 Caracas Venezolana de Television Network in Spanish 1600 GMT 1 Oct 92

[Report by Milagros Rodriguez]

[Excerpt] [passage omitted] Before the Council of Ministers meeting started at Miraflores Palace this morning, President Carlos Andres Perez met with General George Joulwan, commander of the U.S. Southern Command. They discussed the U.S. Government's assistance to Venezuela in fighting drug trafficking. Gen. Joulwan said his government is willing to help Venezuela, provided its government outlines its strategy and points out specific and immediate actions to be taken regarding this problem.

The United States is worried over the drug traffickers' success and the threat they pose for countries' democracy and sovereignty, Gen. Joulwan said on leaving the presidential building. He had met with President Perez to discuss a joint cooperation counternarcotics plan.

Delegations To Visit Colombia on Gas Links

PA0110223192 Caracas Venezolana de Television Network in Spanish 1600 GMT 1 Oct 92

[Text] Delegations from the Venezuelan Ministry of Energy and Mines and Petroleos de Venezuela will meet with Colombian delegates in Santa Fe de Bogota today to assess the natural gas links between the two countries. This meeting occurs in the framework of the Group of Three, composed of Mexico, Colombia, and Venezuela.

This interconnection includes several components essential for Venezuela, Rafael Guevara, deputy minister for energy and mines, said. He also stated that with these talks Venezuela should be able to recover the price of its natural gas and the investment made in the compression and transportation systems to move the gas to the border. He also said these factors must be studied carefully to reach at a negotiated price with Colombia for every 1,000 cubic feet of gas.

Guyana

President Hoyte on Election Campaign Violence

FL0110234992 Bridgetown CANA in English 2229 GMT 1 Oct 92

[Text] Georgetown, Guyana, Oct 1, CANA—Guyana President Desmond Hoyte has suggested his People's National Congress (PNC) supporters might not "turn the other cheek" if attacked during the current campaign for general elections on Monday. Hoyte, campaigning at the West Berbice Village, 55 miles east of here Wednesday, referred to an incident a few weeks ago in which a PNC supporter wearing a T-shirt with a political message was allegedly stabbed.

Continuing a stinging attack on the leadership of the main opposition People's Progressive Party (PPP), Hoyte charged: "They would like to see violence return to this country. They would like these elections to be marred by disturbances and confusion so that they could run out and say (they were) cheated not defeated.

"...Let us be patient. Don't allow them to provoke us. Don't get into any conflict with them. Keep away from their meetings.

"I'm not telling you that if somebody attack you you must turn the other cheek. I not telling you that because I'm not Jesus Christ," the Guyana president said.

Police Commissioner Laurie Lewis confirmed to CANA Thursday that one person was charged and is now before the court in connection with an alleged stabbing of a PNC supporter in the Corentyne area of eastern Guyana.

Opposition To Cooperate With Electoral Observers

FL0110222092 Bridgetown CANA in English 2031 GMT 1 Oct 92

[By Colin King]

[Text] Georgetown, Guyana, Oct 1, CANA—Opposition parties were ready to co-operate with a 67-member electoral observer mission mounted by the Carter Centre despite concerns that the mission was too small.

"At this stage the issue cannot be the size of the mission but how they are deployed and whether they will be obstructed in any way," opposition Working People's Alliance (WPA) election agent Moses Bhagwan told CANA Thursday.

"We are going to give them our full support," Bhagwan said hours after the Carter Centre announced the mission, to be led by former U.S. President Jimmy Carter and Belize Prime Minister George Price.

Democratic Labour Movement (DLM) leader and presidential candidate Paul Tennassee told CANA his party was disappointed at the size of the Carter and Commonwealth missions, and the small Caribbean Community

(Caricom) representation in the Carter mission. "However, we welcome the team. A bird in the hand is worth two in the bush," Tennassee said.

The Carter mission, due here Friday ahead of general elections Monday, includes Costa Rica's former president Rodrigo Carazo, representatives of four former and current Caribbean Community (Caricom) prime ministers, embracing on the whole 18 nationalities.

Seventeen members of the mission will represent the Carter Centre's Council of Freely Elected Heads of Government, while the others will include a representative of the Organisation of American States (OAS), and 10 representatives of the Canada-based International Centre for Human Rights and Democratic Development (ICHRDD). The mission will join 16 members of a Commonwealth observer group which has been arriving here in this past fortnight.

Opposition parties have called for as many as 2,000 observers to monitor the 887 polling stations countrywide in their campaign to avert what they say have been persistent irregularities in polls since 1968. Governing People's National Congress (PNC) officials, who deny charges of rigging levelled against the party, have suggested large numbers of observers demanded by opposition parties would result in a "circus."

The Carter team and the Commonwealth team led by David Peterson, former premier of the Canadian Province of Ontario, plan to co-ordinate their activities here, bringing the total international observer presence here to just under 90, when heads of foreign diplomatic missions here are included.

"We would ideally have preferred a large body of observers... bearing in mind the history of elections here and the geographic spread of the country," WPA executive Moses Bhagwan said. "We have made all the efforts we can to get a large delegation. We have to accept the limitations. They would be effective but if they were more it would have been better."

Commonwealth mission leader David Peterson said it could always be argued that there could be more observers. "I think based on the resources that we have and the mandate that we have, I think we're doing as well as we can. Certainly every complaint, every problem is investigated by people with judgement and integrity. So I think we do add something to the process and I think between ourselves and the Carter Centre as the resources are deployed election day I think people can have some confidence that any discrepancies will be caught."

However Guyana Human Rights Association executive Mike McCormack also expressed concern about the accreditation of diplomatic observers. According to McCormack, the association had understood all accredited diplomats in Georgetown would be given accreditation as observers but this has been granted only for ambassadors and high commissioners.